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**IN TECHNICAL PRODUCTIONS
HOLDINGS LIMITED**

ST MA LTD

(Incorporated in the Cayman Islands with limited liability)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8446)

JOINT ANNOUNCEMENT

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RAINBOW CAPITAL FOR AND ON BEHALF OF

**THE OFFEROR TO ACQUIRE ALL THE ISSUED SHARES OF
IN TECHNICAL PRODUCTIONS HOLDINGS LIMITED**

**(OTHER THAN THOSE ALREADY OWNED AND/OR
AGREED TO BE ACQUIRED BY THE OFFEROR AND PARTIES
ACTING IN CONCERT WITH IT)**

AND

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Financial adviser to the Offeror



RAINBOW CAPITAL (HK) LIMITED
流博資本有限公司

THE SALE AND PURCHASE AGREEMENT

The Company was informed by the Vendor that on 7 March 2022 (after trading hours), the Offeror as the purchaser entered into the Sale and Purchase Agreement with the Vendor, pursuant to which the Offeror has agreed to acquire, and the Vendor has agreed to dispose of, 440,000,000 Shares, representing 55% of the total issued share capital of the Company as at the date of this joint announcement, for the Consideration of HK\$73,480,000 (equivalent to HK\$0.167 per Sale Share).

COMPLETION OF THE SALE AND PURCHASE AGREEMENT

Completion took place on 7 March 2022 and the Consideration has been paid by the Offeror. Upon Completion, the Company was held as to 55% by the Offeror.

MANDATORY UNCONDITIONAL CASH OFFER

Immediately before Completion, none of the Offeror and the parties acting in concert with it was interested in any Shares. Upon Completion, the Offeror and the parties acting in concert with it are interested in 440,000,000 Shares, representing 55% of the total issued share capital of the Company. Pursuant to Rule 26.1 of the Takeovers Code, upon Completion, the Offeror is required to make a mandatory unconditional cash offer for the Offer Shares, being all the issued Shares other than those already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it.

As at the date of this joint announcement, the Company has 800,000,000 Shares in issue. The Company does not have any outstanding options, derivatives, warrants or securities which are convertible or exchangeable into the Shares and has not entered into any agreement for the issue of such kinds of securities.

Rainbow Capital, on behalf of the Offeror and in compliance with the Takeovers Code, will make the Offer to acquire all the Offer Shares on 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\$0.167 in cash

The Offer Price of HK\$0.167 per Offer Share is equal to the purchase price per Sale Share paid by the Offeror pursuant to the Sale and Purchase Agreement.

The Offer will be extended to all Shareholders other than the Offeror and parties acting in concert with it in accordance with the Takeovers Code. The Offer Shares to be acquired under the Offer will be fully paid and free from all encumbrances together with all rights attached or accrued to them, 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 despatch of the Composite Document.

As at the date of this joint announcement, the Company has not declared any dividend which remains unpaid, and the Company has no intention to declare, make or pay any dividend or other distributions prior to the close of the Offer.

The Offer will be unconditional in all respects when it is made and will not be conditional upon acceptances being received in respect of a minimum number of Shares.

Total value of the Offer

On the basis of the Offer Price of HK\$0.167 per Offer Share and 800,000,000 Shares in issue as at the date of this joint announcement, the entire issued share capital of the Company would be valued at HK\$133,600,000.

Excluding (i) the 440,000,000 Sale Shares held by the Offeror and parties acting in concert with it upon Completion; (ii) the 80,000,000 Remaining Shares which are subject to the Vendor's Irrevocable Undertaking; and (iii) the 40,000,000 Subject Shares which are subject to the Zhongsheng Irrevocable Undertaking, and assuming the Offer is accepted in full save in respect of the Remaining Shares and the Subject Shares and there is no change in the issued share capital of the Company up to the close of the Offer, a total of 240,000,000 issued Shares (representing 30% of the total issued share capital of the Company as at the date of this joint announcement) will be subject to the Offer and the maximum cash consideration payable by the Offeror under the Offer would be HK\$40,080,000 based on the Offer Price of HK\$0.167 per Offer Share.

Irrevocable undertakings for not accepting the Offer

Immediately after Completion, the Vendor continues to be the beneficial owner of the 80,000,000 Remaining Shares, representing 10% of the total issued share capital of the Company as at the date of this joint announcement. On 7 March 2022, the Vendor gave the Vendor's Irrevocable Undertaking to the Offeror that in respect of the Remaining Shares held by it, (i) it will not accept the Offer or sell any of the Remaining Shares to the Offeror or the parties acting in concert with it under the Offer; (ii) it will not take any other action to make the Remaining Shares available for acceptance of the Offer; and (iii) it will hold the Remaining Shares until, and shall not sell, transfer, dispose of or create or agree to create any encumbrance of or otherwise create any interests on the Remaining Shares before, the close of the Offer. The Vendor's Irrevocable Undertaking will cease only upon the close of the Offer.

As at the date of this joint announcement, Zhongsheng held 80,000,000 Shares, representing 10% of the total issued share capital of the Company. On 7 March 2022, Zhongsheng gave the Zhongsheng Irrevocable Undertaking to the Offeror that in respect of the 40,000,000 Subject Shares (representing 5% of the total issued share capital of the Company as at the date of this joint announcement), (i) it will not accept the Offer or sell any of the Subject Shares to the Offeror or the parties acting in concert with it under the Offer; (ii) it will not take any other action to make the Subject Shares available for acceptance under the Offer; and (iii) it will hold the Subject Shares until, and shall not sell, transfer, dispose of or create or agree to create any encumbrance of or otherwise create any interests on the Subject Shares before, the close of the Offer. The Zhongsheng Irrevocable Undertaking will cease only upon the close of the Offer. The number of Subject Shares was agreed after arm's length negotiation between the Offeror and Zhongsheng, taking into account the recent Share price performance.

The Offeror confirms that (i) save for the Sale and Purchase Agreement and the Vendor's Irrevocable Undertaking, it has not entered into any agreement or memorandum of understanding with the Vendor in respect of the Remaining Shares; and (ii) save for the Zhongsheng Irrevocable Undertaking, it has not entered into any agreement or memorandum of understanding with Zhongsheng in respect of the Company; and that it has no relationship with the Vendor or Zhongsheng.

Financial resources available to the Offeror

Completion took place on 7 March 2022 and the Offeror paid the Consideration (i.e. HK\$73,480,000) in cash at Completion. The maximum cash consideration payable by the Offeror under the Offer would be HK\$40,080,000.

The Offeror has financed the Consideration and intends to finance and satisfy the consideration payable under the Offer (i) as to HK\$10 million by its internal resources (i.e. personal savings of Mr. Ma); and (ii) as to the remainder by the loan facility provided by Zhongyi Global in the principal amount of HK\$105 million for a term from 2 March 2022 to 31 December 2023 under the Facility Agreement. The outstanding principal, accrued interests and costs and charges payable by the Offeror under the Facility Agreement are guaranteed by Mr. Ma as primary obligor and secured by certain property interests of Mr. Ma located in the PRC. Under the Facility Agreement, prior to the full repayment of the facility under the Facility Agreement, Zhongyi Global has the right to request Mr. Ma to provide additional collateral which may include property interests. The collateral under the Facility Agreement does not and will not include any securities of the Company. Zhongyi Global is principally engaged in investment business, and was incorporated by Ms. Li Yanying. Ms. Li Yanying, graduated from 廣東白雲學院 (Guangdong Baiyun University), has over eight years of experience in loan financing and wealth management. As at the date of this joint announcement, Zhongyi Global was wholly-owned by Guardian Professional Services Limited which is engaged in the provision of corporate, secretarial and trust services and is 100% beneficially owned by Mr. Lee Zong Peng Derek, who has over five years of experience in the financial industry. Ms. Li Yanying does not own any interest in Zhongyi Global or Guardian Professional Services Limited as at the date of this joint announcement. Zhongyi Global was introduced to the Offeror through the principal bank of the Offeror.

Zhongyi Global, Guardian Professional Services Limited, Ms. Li Yanying and Mr. Lee Zong Peng Derek are parties acting in concert with the Offeror under class (9) of the definition of acting in concert under the Takeovers Code. Save as aforesaid, Mr. Ma confirms that he has no relationship with Zhongyi Global, Guardian Professional Services Limited, Ms. Li Yanying or Mr. Lee Zong Peng Derek. Zhongyi Global, Guardian Professional Services Limited, Ms. Li Yanying and Mr. Lee Zong Peng Derek were not Shareholders as at the date of this joint announcement.

Rainbow Capital, the financial adviser to the Offeror, is satisfied that sufficient financial resources are, and will remain, available to the Offeror to satisfy the consideration for full acceptance of the Offer.

GENERAL

Independent Board Committee and independent financial adviser

As at the date of this joint announcement, the Independent Board Committee, comprising all the independent non-executive Directors who have no direct or indirect interest in the Offer (being Mr. Li Kai Sing, Mr. Ma Tsz Chun and Ms. Loh Lai Ping Phillis), has been established in accordance with Rule 2.1 of the Takeovers Code to advise and give recommendation to the Independent Shareholders 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 by the Company with the approval of the Independent Board Committee to advise the Independent Board Committee in respect of the Offer and in particular as to whether the terms of Offer are fair and reasonable and as to the acceptance of the Offer.

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 into the Composite Document. Pursuant to Rule 8.2 of the Takeovers Code, a composite document containing, among other things, (i) further details on the terms of the Offer; (ii) the letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Offer; and (iii) the letter of advice from the independent financial adviser to the Independent Board Committee in respect of the Offer, together with the acceptance and transfer form, will be despatched to the Shareholders within 21 days from the date of this joint announcement or such later date as the Executive may approve. Further announcement(s) relating to the despatch of the Composite Document will be made as and when appropriate.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on GEM of the Stock Exchange was halted with effect from 9:00 a.m. on Tuesday, 8 March 2022 pending the release of this joint announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares on GEM of the Stock Exchange with effect from 9:00 a.m. on 15 March 2022.

WARNING

Shareholders are encouraged to read the Composite Document carefully, including the advice from the independent financial adviser to the Independent Board Committee and the recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Offer, before deciding whether or not to accept the Offer.

Shareholders and potential investors should exercise caution when dealing in the securities of the Company. If the Shareholders and potential investors are in any doubt about their position, they should consult their professional advisers.

INTRODUCTION

The Company was informed by the Vendor that on 7 March 2022 (after trading hours), the Offeror as the purchaser entered into the Sale and Purchase Agreement with the Vendor, pursuant to which (i) the Offeror has agreed to acquire, and the Vendor agreed to dispose of, 440,000,000 Shares, representing 55% of the total issued share capital of the Company as at the date of this joint announcement, for the Consideration of HK\$73,480,000 (equivalent to HK\$0.167 per Sale Share).

THE SALE AND PURCHASE AGREEMENT

Set out below are the principal terms of the Sale and Purchase Agreement:

Date

7 March 2022 (after trading hours)

Parties:

- (i) the Offeror; and
- (ii) the Vendor.

Subject matter

The Sales Shares, being 440,000,000 Shares, represent 55% of the total issued share capital of the Company as at the date of this joint announcement.

The Sale Shares have been acquired by the Offeror free from all encumbrances and together with all rights attached and accrued to them at the date of Completion including all rights to any dividend or other distribution declared to be made or paid on or after Completion.

As at the date of this joint announcement, the Company has not declared any dividend which remains unpaid, and the Company has no intention to declare, make or pay any dividend or other distributions prior to the close of the Offer.

Consideration

The Consideration of HK\$73,480,000 (equivalent to HK\$0.167 per Sale Share) was determined after arm's length negotiations between the Offeror and the Vendor taking into account, among others, (i) the historical operating and financial performance of the Group; (ii) the financial position of the Group; (iii) the historical liquidity and market prices of the Shares; and (iv) the current market conditions. The Consideration was paid by the Offeror in cash upon Completion.

Lock-up undertaking by the Vendor

Pursuant to the Sale and Purchase Agreement, the Vendor has undertaken to the Offeror that during the Lock-up Period, it will not (i) sell, transfer or dispose of the Remaining Shares; or (ii) enter into any agreement to sell or create any option, right, interest or encumbrance in respect of the Remaining Shares.

COMPLETION OF THE SALE AND PURCHASE AGREEMENT

Completion took place on 7 March 2022 and the Consideration has been fully paid by the Offeror. Upon Completion, the Company was held as to 55% by the Offeror.

MANDATORY UNCONDITIONAL CASH OFFER

Immediately before Completion, none of the Offeror and the parties acting in concert with it was interested in any Shares. Upon Completion, the Offeror and the parties acting in concert with it are interested in 440,000,000 Shares, representing 55% of the total issued share capital of the Company. Pursuant to Rule 26.1 of the Takeovers Code, upon Completion, the Offeror is required to make a mandatory unconditional cash offer for the Offer Shares, being all the issued Shares other than those already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it.

As at the date of this joint announcement, the Company has 800,000,000 Shares in issue. The Company does not have any outstanding options, derivatives, warrants or securities which are convertible or exchangeable into the Shares and has not entered into any agreement for the issue of such kinds of securities.

Rainbow Capital, on behalf of the Offeror and in compliance with the Takeovers Code, will make the Offer to acquire all the Offer Shares on 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\$0.167 in cash

The Offer Price of HK\$0.167 per Offer Share is equal to the purchase price per Sale Share paid by the Offeror pursuant to the Sale and Purchase Agreement.

The Offer will be extended to all Shareholders other than the Offeror and parties acting in concert with it in accordance with the Takeovers Code. The Offer Shares to be acquired under the Offer will be fully paid and free from all encumbrances together with all rights attached or accrued to, 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 despatch of the Composite Document.

As at the date of this joint announcement, the Company has not declared any dividend which remains unpaid, and the Company has no intention to declare, make or pay any dividend or other distributions prior to the close of the Offer.

The Offer will be unconditional in all respects when it is made and will not be conditional upon acceptances being received in respect of a minimum number of Shares.

The Offer Price

The Offer Price of HK\$0.167 is equal to the purchase price per Sale Share paid by the Offeror under the Sale and Purchase Agreement and represents:

- (i) a discount of approximately 91.97% to the closing price of HK\$2.08 per Share as quoted on the Stock Exchange on 7 March 2022, being the Last Trading Day;
- (ii) a discount of approximately 91.01% to the average closing price of HK\$1.858 per Share based on the daily closing prices as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to and including the Last Trading Day;
- (iii) a discount of approximately 88.20% to the average closing price of HK\$1.415 per Share based on the daily closing prices as quoted on the Stock Exchange for the ten (10) consecutive trading days immediately prior to and including the Last Trading Day;

- (iv) a discount of approximately 84.64% to the average closing price of HK\$1.087 per Share based on the daily closing prices as quoted on the Stock Exchange for the thirty (30) consecutive trading days immediately prior to and including the Last Trading Day;
- (v) a premium of approximately 88.91% over the audited consolidated net asset value attributable to the Shareholders of approximately HK\$0.0884 per Share as at 31 May 2021, calculated by dividing the Group's audited consolidated net assets attributable to the Shareholders of approximately HK\$70,689,584 as at 31 May 2021 by 800,000,000 Shares in issue as at the date of this joint announcement; and
- (vi) a premium of approximately 116.60% over the unaudited consolidated net asset value attributable to the Shareholders of approximately HK\$0.0771 per Share as at 30 November 2021, calculated by dividing the Group's unaudited consolidated net assets attributable to the Shareholders of approximately HK\$61,668,112 as at 30 November 2021 by 800,000,000 Shares in issue as at the date of this joint announcement.

Highest and lowest Share prices

The highest and lowest closing prices of the Shares as quoted on GEM of the Stock Exchange during the six-month period immediately prior to and including the Last Trading Day (i.e. from 7 September 2021 to 7 March 2022) were HK\$2.1 per Share on 4 March 2022 and HK\$0.11 per Share on 17, 20 and 21 September 2021, respectively.

Total value of the Offer

On the basis of the Offer Price of HK\$0.167 per Offer Share and 800,000,000 Shares in issue as at the date of this joint announcement, the entire issued share capital of the Company would be valued at HK\$133,600,000.

Excluding (i) the 440,000,000 Sale Shares held by the Offeror and parties acting in concert with it upon Completion; (ii) the 80,000,000 Remaining Shares which are subject to the Vendor's Irrevocable Undertaking; and (iii) the 40,000,000 Subject Shares which are subject to the Zhongsheng Irrevocable Undertaking, and assuming the Offer is accepted in full save in respect of the Remaining Shares and the Subject Shares and there is no change in the issued share capital of the Company up to the close of the Offer, a total of 240,000,000 issued Shares (representing 30% of the total issued share capital of the Company as at the date of this joint announcement) will be subject to the Offer and the maximum cash consideration payable by the Offeror under the Offer would be HK\$40,080,000 based on the Offer Price of HK\$0.167 per Offer Share.

Irrevocable undertakings for not accepting the Offer

Immediately after Completion, the Vendor continues to be the beneficial owner of the 80,000,000 Remaining Shares, representing 10% of the total issued share capital of the Company as at the date of this joint announcement. On 7 March 2022, the Vendor gave the Vendor's Irrevocable Undertaking to the Offeror that in respect of the Remaining Shares held by it, (i) it will not accept the Offer or sell any of the Remaining Shares to the Offeror or the parties acting in concert with it under the Offer; (ii) it will not take any other action to make the Remaining Shares available for acceptance under the Offer; and (iii) it will hold the Remaining Shares until, and shall not sell, transfer, dispose of or create or agree to create any encumbrance of or otherwise create any interests on the Remaining Shares before, the close of the Offer. The Vendor's Irrevocable Undertaking will cease only upon the close of the Offer.

As at the date of this joint announcement, Zhongsheng held 80,000,000 Shares, representing 10% of the total issued share capital of the Company. On 7 March 2022, Zhongsheng gave the Zhongsheng Irrevocable Undertaking to the Offeror that in respect of the 40,000,000 Subject Shares (representing 5% of the total issued share capital of the Company as at the date of this joint announcement), (i) it will not accept the Offer or sell any of the Subject Shares to the Offeror or the parties acting in concert with it under the Offer; (ii) it will not take any other action to make the Subject Shares available for acceptance under the Offer; and (iii) it will hold the Subject Shares until, and shall not sell, transfer, dispose of or create or agree to create any encumbrance of or otherwise create any interests on the Subject Shares before, the close of the Offer. The Zhongsheng Irrevocable Undertaking will cease only upon the close of the Offer. The number of Subject Shares was agreed after arm's length negotiation between the Offeror and Zhongsheng, taking into account the recent Share price performance.

The Offeror confirms that save for (i) the Sale and Purchase Agreement and the Vendor's Irrevocable Undertaking, it has not entered into any agreement or memorandum of understanding with the Vendor in respect of the Remaining Shares; and (ii) the Zhongsheng Irrevocable Undertaking, it has not entered into any agreement or memorandum of understanding with Zhongsheng in respect of the Company; and that it has no relationship with the Vendor or Zhongsheng.

Financial resources available to the Offeror

Completion took place on 7 March 2022 and the Offeror paid the Consideration (i.e. HK\$73,480,000) in cash at Completion. The maximum cash consideration payable by the Offeror under the Offer would be HK\$40,080,000.

The Offeror has financed the Consideration and intends to finance and satisfy the consideration payable under the Offer (i) as to HK\$10 million by its internal resources (i.e. personal savings of Mr. Ma); and (ii) as to the remainder by the loan facility provided by Zhongyi Global in the principal amount of HK\$105 million for a term from 2 March 2022 to 31 December 2023 under the Facility Agreement. The outstanding principal, accrued interests and costs and charges payable by the Offeror under the Facility Agreement are guaranteed by Mr. Ma as primary obligor and secured by certain property interests of Mr. Ma located in the PRC. Under the Facility Agreement, prior to the full repayment of the facility under the Facility Agreement, Zhongyi Global has the right to request Mr. Ma to provide additional collateral which may include property interests. The collateral under the Facility Agreement does not and will not include any securities of the Company. Zhongyi Global is principally engaged in investment business, and was incorporated by Ms. Li Yanying. Ms. Li Yanying, graduated from 廣東白雲學院 (Guangdong Baiyun University), has over eight years of experience in loan financing and wealth management. As at the date of this joint announcement, Zhongyi Global was wholly-owned by Guardian Professional Services Limited which is engaged in the provision of corporate, secretarial and trust services and is 100% beneficially owned by Mr. Lee Zong Peng Derek, who has over five years of experience in the financial industry. Ms. Li Yanying does not own any interest in Zhongyi Global or Guardian Professional Services Limited as at the date of this joint announcement. Zhongyi Global was introduced to the Offeror through the principal bank of the Offeror.

Zhongyi Global, Guardian Professional Services Limited, Ms. Li Yanying and Mr. Lee Zong Peng Derek are parties acting in concert with the Offeror under class (9) of the definition of acting in concert under the Takeovers Code. Save as aforesaid, Mr. Ma confirms that he has no relationship with Zhongyi Global, Guardian Professional Services Limited, Ms. Li Yanying or Mr. Lee Zong Peng Derek. Zhongyi Global, Guardian Professional Services Limited, Ms. Li Yanying and Mr. Lee Zong Peng Derek were not Shareholders as at the date of this joint announcement.

Rainbow Capital, the financial adviser to the Offeror, is satisfied that sufficient financial resources are, and will remain, available to the Offeror to satisfy the consideration for full acceptance of the Offer.

Effects of accepting the Offer

The Offer is unconditional in all respects and is not conditional upon acceptances being received in respect of a minimum number of Shares or any other conditions.

By accepting the Offer, the Independent Shareholders shall sell their Shares free from all encumbrances together with all rights attached or accrued to them, 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 by any Independent

Shareholders will be deemed to constitute a warranty by such person that all the Shares to be sold by such person under the Offer are fully paid and free from all encumbrances together with all rights attached or accrued to them, 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, that is, the date of posting of the Composite Document.

As at the date of this joint announcement, the Company has not declared any dividend which remains unpaid, and the Company has no intention to declare, make or pay any dividend or other distributions prior to the close of the Offer.

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

Hong Kong stamp duty

Seller's ad valorem stamp duty on acceptances of the Offer will be payable by the relevant Independent Shareholders at a rate of 0.13% of (i) the market value of the Offer Shares; or (ii) the consideration payable in respect of the relevant acceptances of the Offer by the Offeror, whichever is higher, and will be deducted from the cash amount payable by the Offeror to such Independent Shareholder on acceptance of the Offer (where the amount of stamp duty is a fraction of a dollar, the stamp duty will be rounded up to the nearest dollar).

The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Independent Shareholders who accept the Offer and pay the buyer's ad valorem stamp duty in connection with the acceptances of the Offer and the transfers of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

Payment

Payment in cash in respect of the acceptances of the Offer will be made as soon as possible but in any event within seven business days (as defined in the Takeovers Code) of the date on which the duly completed acceptances of the Offer are received. Relevant documents evidencing title in respect of such acceptances must be received by the Offeror (or its agent) to render such acceptance of the Offer complete and valid in accordance with Note 1 to Rule 30.2 of the Takeovers Code.

No fractions of a cent will be payable and the amount of the consideration payable to an Independent Shareholder who accepts the Offer will be rounded up to the nearest cent.

Availability of the Offer

To the extent practicable and permissible under applicable laws and regulations, the Offeror intends to make the Offer available to all the Independent Shareholders, including those with registered addresses in a jurisdiction outside Hong Kong. The availability of the Offer to persons with a registered address in a jurisdiction outside Hong Kong may be affected by the laws of the relevant overseas jurisdictions. The making of the Offer to persons with registered addresses in jurisdictions outside Hong Kong may be prohibited or limited by the laws or regulations of the relevant jurisdictions. Such Independent Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice. Persons who are residents, citizens or nationals outside Hong Kong should inform themselves about and observe, at their own responsibility, any applicable laws, regulations, requirements and restrictions in their own jurisdictions in connection with the acceptance of the Offer, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with the other necessary formalities and the payment of any issue, transfer or other taxes due from such Shareholder in respect of such jurisdiction.

Any acceptance by the Independent Shareholders with a registered address in a jurisdiction outside Hong Kong will be deemed to constitute a representation and warranty from such overseas Independent Shareholders to the Offeror that the local laws and requirements have been complied with and such acceptance shall be valid and binding in accordance with all applicable laws. Such overseas Independent Shareholders should consult their respective professional advisers if in doubt.

Taxation advice

Independent Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror and/or the parties acting in concert with it, the Company, Rainbow Capital, Zhongyi Global and their respective ultimate beneficial owners, directors, officers, agents, advisers 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.

DEALING AND INTERESTS IN THE SECURITIES OF THE COMPANY

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

- (i) save for the Sale Shares acquired upon Completion, none of the Offeror and parties acting in concert with it owns or controls or has direction over any voting rights or rights over the Shares or convertible securities, options, warrants or derivatives of the Company;
- (ii) save for the Vendor's Irrevocable Undertaking and the Zhongsheng Irrevocable Undertaking, none of the Offeror and parties acting in concert with it has received any irrevocable commitment to accept the Offer;
- (iii) there is no agreement or arrangement in relation to any outstanding derivative in respect of securities in the Company which has been entered into by the Offeror or any person acting in concert with it;
- (iv) save for the Sale and Purchase Agreement, there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of the Offeror or the Shares which may be material to the Offer (as referred to in Note 8 to Rule 22 of the Takeovers Code);
- (v) there is no agreement or arrangement to which the Offeror or parties acting in concert with it is a party which relates to circumstances in which they may or may not invoke or seek to invoke a pre-condition or a condition to the Offer;
- (vi) there are no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror or any parties acting in concert with it has borrowed or lent;
- (vii) save for the Consideration paid by the Offeror under the Sale and Purchase Agreement, there is no consideration, compensation or benefit in whatever form paid or to be paid by the Offeror or any parties acting in concert with it to the Vendor, its ultimate beneficial owners and/or any parties acting in concert with any of it;
- (viii) there is no special deal (as defined under Rule 25 of the Takeovers Code) between the Offeror and/or parties acting in concert with it on one hand, and the Vendor, their respective ultimate beneficial owners and parties acting in concert with any of them on the other hand;
- (ix) there is no special deal (as defined under Rule 25 of the Takeovers Code) between (1) any Shareholder; and (2)(a) the Offeror and any parties acting in concert with it; or (b) the Company, its subsidiaries or associated companies; and

(x) save for the Sale Shares acquired upon Completion, none of the Offeror and/or any parties acting in concert with it had dealt for value in any Shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities during the six months prior to the date of the announcement of the Company dated 1 March 2022 published under Rule 3.7 of the Takeovers Code and up to the date of this joint announcement.

SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) immediately before Completion; and (ii) immediately after Completion and as at the date of this joint announcement and before the Offer.

	Immediately before Completion		Immediately after Completion and as at the date of this joint announcement and before the Offer	
	<i>Number of Shares held</i>	<i>Shareholding Percentage (%)</i>	<i>Number of Shares held</i>	<i>Shareholding Percentage (%)</i>
Offeror and parties acting in concert with it				
The Offeror	—	—	440,000,000	55.00
Sub-total	—	—	440,000,000	55.00
The Vendor	520,000,000	65.00	80,000,000	10.00
Zhongsheng	80,000,000	10.00	80,000,000	10.00
Other Shareholders	<u>200,000,000</u>	<u>25.00</u>	<u>200,000,000</u>	<u>25.00</u>
Total	<u>800,000,000</u>	<u>100.00</u>	<u>800,000,000</u>	<u>100.00</u>

INFORMATION ON THE GROUP

The Company is an investment holding company whose Shares are listed on GEM. The Group is principally engaged in the provision of visual display solution services for concerts and events primarily in Hong Kong, Macau, the PRC and Taiwan.

Set out below is a summary of the financial information of the Group for (i) each of the three financial years ended 31 May 2019, 2020 and 2021 as extracted from the annual reports of the Company for the years ended 31 May 2019, 2020 and 2021; and (ii) the six months ended 30 November 2020 and 2021 as extracted from the interim report of the Company for the six months ended 30 November 2021:

	For the year ended 31 May			For the six months ended	
	2019	2020	2021	30 November	2021
	(HK\$'000) (audited)	(HK\$'000) (audited)	(HK\$'000) (audited)	(HK\$'000) (unaudited)	(HK\$'000) (unaudited)
Revenue	94,273	44,715	12,349	3,378	12,330
Profit/(loss) before income tax	26,549	(26,634)	(40,018)	(18,687)	(9,093)
Profit/(loss) for the year/ period	22,536	(24,305)	(35,078)	(18,687)	(9,093)

The unaudited consolidated net assets attributable to the Shareholders as at 30 November 2021 was approximately HK\$61.7 million.

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

INFORMATION ON THE OFFEROR

The Offeror is a company incorporated in the Cayman Islands with limited liability and is an investment holding company. As at the date of this joint announcement, the sole beneficial shareholder and sole director of the Offeror is Mr. Ma who is a professional investor.

Mr. Ma graduated from 清華大學 (Tsinghua University) with an Executive Master of Business Administration (EMBA). He worked in 深圳市盛世長城廣告有限公司 (Shenzhen Shengshi Great Wall Advertising Co., Ltd.*) (“**Shenzhen Shengshi**”) between 2006 and 2019 with the last position as the general manager. Shenzhen Shengshi is principally engaged in the provision of branding, advertising and marketing services. As at the date of this joint announcement, Mr. Ma is the supervisor of 深圳市前海中宇國際資產管理有限公司 (Shenzhen Qianhai Zhongyu International Asset Management Co., Ltd.*) which is principally engaged in investment and asset management.

INTENTION OF THE OFFEROR IN RELATION TO THE GROUP

The Offeror intends to continue the existing businesses of the Group. The Offeror has no plan to inject any assets or businesses into the Group or to procure the Group to acquire or dispose of any assets immediately after the close of the Offer. Following the close of the Offer, the Offeror will conduct a detailed review of 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 and explore other investment or business opportunities to diversify the business of the Group with an objective to broaden its income source. As at the date of this joint announcement, no such investment or business opportunity had been identified. The Offeror has no intention to terminate the employment of any employees of the Group or to make significant changes to any employment (except for the proposed change of the Board composition as detailed in the sub-section headed “Proposed change to the composition of the Board” below).

Proposed change to the composition of the Board

As at the date of this joint announcement, the Board consists of five Directors, comprising two executive Directors, namely Mr. Yeung Ho Ting Dennis and Mr. Tam Chun Yu; and three independent non-executive Directors, namely Mr. Li Kai Sing, Mr. Ma Tsz Chun and Ms. Loh Lai Ping Phillis.

It is expected that all the independent non-executive Directors will resign from the Board with effect from the earliest time permitted under the Takeovers Code. It is expected that each of Mr. Yeung Ho Ting Dennis and Mr. Tam Chun Yu will remain as a Director after the close of the Offer.

The Offeror intends to nominate new directors for appointment to the Board with effect from the earliest time permitted under the Takeovers Code. Any changes to the members of the Board will be made in compliance with the Takeovers Code, the GEM Listing Rules and the articles of association of the Company and a further announcement will be made as and when appropriate.

Public float and maintaining the listing status of the Company

The Stock Exchange has stated that if, at the closing of the Offer, the number of Shares held in the hands of the public falls below the minimum percentage as prescribed under Rule 11.23 of the GEM Listing Rules, being 25% of the total issued share capital of the Company, 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,

the Stock Exchange will consider exercising its discretion to suspend dealing in the Shares. Therefore, it should be noted that upon closing of the Offer, there may be insufficient public float of the Shares and the trading in the Shares may be suspended until sufficient public float exists for the Shares. The Offeror intends the Company to remain listed on GEM of the Stock Exchange. The director of the Offeror and the Directors will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares after the close of the Offer.

GENERAL

Independent Board Committee and independent financial adviser

As at the date of this joint announcement, the Independent Board Committee, comprising all the independent non-executive Directors who have no direct or indirect interest in the Offer (including Mr. Li Kai Sing, Mr. Ma Tsz Chun and Ms. Loh Lai Ping Phillis), has been established in accordance with Rule 2.1 of the Takeovers Code to advise and give a recommendation to the Independent Shareholders 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 by the Company with the approval of the Independent Board Committee to advise the Independent Board Committee in respect of the Offer and in particular as to whether the terms of the Offer are fair and reasonable and as to acceptance of the Offer.

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 into the Composite Document. Pursuant to Rule 8.2 of the Takeovers Code, a composite document containing, among other things, (i) further details on the terms of the Offer; (ii) the letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Offer; and (iii) the letter of advice from the independent financial adviser to the Independent Board Committee in respect of the Offer, together with the acceptance and transfer form, will be despatched to the Shareholders within 21 days from the date of this joint announcement or such later date as the Executive may approve. Further announcement(s) relating to the despatch of the Composite Document will be made as and when appropriate.

Dealings disclosure

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 Note 4 to Rule 22 of the Takeovers Code) of the Company and the Offeror) are hereby reminded to disclose their dealings in the relevant securities of the Company pursuant to the requirements of the Takeovers Code.

The full text of Note 11 to 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 (as defined in the Takeovers Code) of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates (as defined in the Takeovers Code) 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

At the request of the Company, trading in the Shares on GEM of the Stock Exchange was halted with effect from 9:00 a.m. on Tuesday, 8 March 2022 pending the release of this joint announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares on GEM of the Stock Exchange with effect from 9:00 a.m. on 15 March 2022.

WARNING

Shareholders are encouraged to read the Composite Document carefully, including the advice from the independent financial adviser to the Independent Board Committee and the recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Offer, before deciding whether or not to accept the Offer.

Shareholders and potential investors should exercise caution when dealing in the securities of the Company. If the Shareholders and potential investors are in any doubt about their position, they should consult their professional advisers.

DEFINITIONS

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

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“associate(s)”	has the meaning ascribed to it under the Takeovers Code
“associated company(ies)”	has the meaning ascribed to it under the Takeovers Code
“Board”	the board of Directors
“Company”	In Technical Productions Holdings Limited (stock code: 8446), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM of the Stock Exchange
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the Sale and Purchase Agreement
“Completion Date”	7 March 2022
“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
“Consideration”	the consideration of HK\$73,480,000 paid by the Offeror for the acquisition of the Sale Shares under the Sale and Purchase Agreement

“Director”	the director(s) of the Company from time to time
“Executive”	the executive director of the Corporate Finance Division of the SFC or any delegate of the executive director
“Facility Agreement”	the facility agreement entered into by Zhongyi Global as the lender, the Offeror as the borrower and Mr. Ma as the guarantor in relation to a guaranteed and secured loan facility in the principal amount of HK\$105 million for the sole purpose of financing the Consideration and the consideration payable by the Offeror under the Offer
“GEM”	the GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM as amended by the Stock Exchange from time to time
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors who have no direct or indirect interest in the Offer, being Mr. Li Kai Sing, Mr. Ma Tsz Chun and Ms. Loh Lai Ping Phillis, which has been established for the purpose of advising and giving a recommendation to the Independent Shareholders in respect of the Offer
“Independent Shareholders”	the Shareholders other than the Vendor, the Offeror and parties acting in concert with them
“Last Trading Day”	7 March 2022, being the last trading day on which the Shares were traded on GEM of the Stock Exchange before the publication of this joint announcement
“Lock-up Period”	a period of six (6) months from the close of the Offer

“Mr. Ma”	Mr. Ma Lie (馬烈), the sole beneficial shareholder and sole director of the Offeror
“Offer”	the mandatory unconditional cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it) to be made by Rainbow Capital on behalf of the Offeror at the Offer Price in accordance with the Takeovers Code
“Offer Price”	HK\$0.167 per Offer Share in respect of the Offer
“Offer Shares”	all the Share(s) in issue, other than those already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it, each an “Offer Share”
“Offeror”	St Ma Ltd, a company incorporated in the Cayman Islands with limited liability, being the purchaser under the Sale and Purchase Agreement. Mr. Ma is the sole beneficial shareholder and sole director of the Offeror
“PRC”	the People’s Republic of China and for the purpose of this joint announcement, excluding Hong Kong, Taiwan and the Macau Special Administrative Region of the People’s Republic of China
“Rainbow Capital”	Rainbow Capital (HK) Limited, a corporation licensed to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, the financial adviser to the Offeror in respect of the Offer
“Remaining Shares”	80,000,000 Shares (representing 10% of the total issued share capital of the Company as at the date of this joint announcement) held by the Vendor upon Completion, which are subject to the Vendor’s Irrevocable Undertaking and the lock-up undertaking during the Lock-up Period
“Sale and Purchase Agreement”	the sale and purchase agreement dated 7 March 2022 entered into by the Vendor and the Offeror as the purchaser in relation to the sale and purchase of the Sale Shares

“Sale Shares”	440,000,000 Shares (representing 55% of the total issued share capital of the Company as at the date of this joint announcement) sold by the Vendor to the Offeror pursuant to the Sale and Purchase Agreement, and each a “Sale Share”
“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 nominal value of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subject Shares”	40,000,000 Shares (representing 5% of the total issued share capital of the Company as at the date of this joint announcement) held by Zhongsheng, which are subject to the Zhongsheng Irrevocable Undertaking
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Vendor”	Next Vision Management Limited, a company incorporated in the British Virgin Islands with limited liability, which is beneficially owned as to 75% by Mr. Yeung Ho Ting Dennis, an executive Director, as to 15% by Mr. Chang Yu-shu and as to 10% by UCP Co., Ltd. (a company wholly-owned by Ms. Ching Hsiang-yun)
“Vendor’s Irrevocable Undertaking”	the irrevocable undertaking dated 7 March 2022 given by the Vendor to the Offeror
“Zhongsheng”	Zhongsheng Asset Management Co., Limited, a company incorporated in Hong Kong, of which the beneficial owner is Ms. Mo Suyun
“Zhongsheng Irrevocable Undertaking”	the irrevocable undertaking dated 7 March 2022 given by Zhongsheng to the Offeror

“Zhongyi Global”

Zhongyi Global Spt Limited, a company incorporated in the British Virgin Islands with limited liability, being the lender under the Facility Agreement

“%”

per cent.

By order of the board of
St Ma Ltd
Ma Lie
Sole Director

By order of the Board
In Technical Productions Holdings
Limited
Yeung Ho Ting Dennis
Chairman and Executive Director

Hong Kong, 14 March 2022

* *For identification purpose only*

As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. Yeung Ho Ting Dennis and Mr. Tam Chun Yu; and three independent non-executive Directors, namely, Mr. Li Kai Sing, Mr. Ma Tsz Chun and Ms. Loh Lai Ping Phillis.

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

This announcement will remain on the “Latest Listed Company Information” page of the GEM website at www.hkgem.com for at least 7 days from the day of its posting. This announcement will also be published on the Company’s website at www.intechproductions.com.

This announcement is prepared in English language and translated into Chinese. In the event of any inconsistencies between the Chinese and the English version, the latter shall prevail.