

**THIS COMPOSITE DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to any aspect of the Offer, this Composite Document and/or the accompanying Form of Acceptance or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in In Technical Productions Holdings Limited, you should at once hand this Composite Document and the accompanying Form of Acceptance to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Composite Document and the accompanying Form of Acceptance, make no representation as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Composite Document and the accompanying Form of Acceptance.

This Composite Document should be read in conjunction with the accompanying Form of Acceptance, the contents of which form part of the terms and conditions of the Offer.



**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)**

**COMPOSITE DOCUMENT RELATING TO  
MANDATORY UNCONDITIONAL CASH OFFER  
BY RAINBOW CAPITAL FOR AND ON BEHALF OF  
THE OFFEROR TO ACQUIRE ALL THE ISSUED SHARES OF  
IN TECHNICAL PRODUCTIONS HOLDINGS LIMITED  
(OTHER THAN THOSE SHARES ALREADY OWNED AND/OR  
AGREED TO BE ACQUIRED BY THE OFFEROR  
AND PARTIES ACTING IN CONCERT WITH IT)**

**Financial adviser to the Offeror**

**RAINBOW.**

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

**Independent Financial Adviser to the Independent Board Committee**

**寶  
橋**  
BAOQIAO PARTNERS

**BAOQIAO PARTNERS CAPITAL LIMITED**

Capitalised terms used on this cover page shall have the same meanings as those defined in this Composite Document unless the context requires otherwise.

A letter from Rainbow Capital containing, among other things, the details of the terms and conditions of the Offer, is set out on pages 7 to 16 of this Composite Document.

A letter from the Board is set out on pages 17 to 22 of this Composite Document. A letter from the Independent Board Committee containing its recommendation in respect of the Offer to the Independent Shareholders is set out on pages 23 to 24 of this Composite Document. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee in respect of the Offer is set out on pages 25 to 43 of this Composite Document.

The procedures for acceptance and settlement of the Offer are set out in Appendix I to this Composite Document and in the accompanying Form of Acceptance. Acceptances of the Offer must be received by the Registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:00 p.m. on Thursday, 5 May 2022 (or such later time and/or date as the Offeror may determine and the Offeror and the Company may jointly announce, with the consent of the Executive, in accordance with the Takeovers Code).

Shareholders should inform themselves of and observe any applicable legal, tax or regulatory requirements set out under "IMPORTANT NOTICE" of this Composite Document. Any persons including, without limitation, custodians, nominees and trustees, who would, or otherwise intend to, forward this Composite Document and/or the accompanying Form of Acceptance to any jurisdiction outside Hong Kong should read the section headed "IMPORTANT NOTICE" contained in this Composite Document before taking any action. It is the responsibility of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer, including the obtaining of any governmental, exchange control or other consents and any registration or filing which may be required or the compliance with other necessary formalities, or legal and regulatory requirements and the payment of any transfer or other taxes or other required payments due in respect of such jurisdictions. Overseas Shareholders are advised to seek professional advice on deciding whether to accept the Offer.

This Composite Document is issued jointly by the Offeror and the Company. The English texts of this Composite Document and the accompanying Form of Acceptance shall prevail over their respective Chinese texts for the purpose of interpretation.

This Composite Document will remain on the websites of the Stock Exchange at <http://www.hkexnews.hk> and the Company at [www.intechproductions.com](http://www.intechproductions.com) as long as the Offer remains open.

14 April 2022

## **CHARACTERISTICS OF GEM**

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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## EXPECTED TIMETABLE

*The expected timetable set out below is indicative only and may be subject to changes. Further announcement(s) will be made in the event of any changes to the timetable as and when appropriate. Unless otherwise specified, all time and date references contained in this Composite Document and the accompanying Form of Acceptance refer to Hong Kong time and dates.*

**Event** ..... **Hong Kong Time & Date**

Despatch date of this Composite Document  
and the accompanying Form of Acceptance  
and commencement date of the Offer <sup>(Note 1)</sup> ..... Thursday, 14 April 2022

Latest time and date for acceptance of the Offer <sup>(Note 2)</sup> ..... by 4:00 p.m. on Thursday,  
5 May 2022

Closing Date <sup>(Note 2)</sup> ..... Thursday, 5 May 2022

Announcement of the results of the Offer (or its extension  
or revision, if any) to be posted on the website  
of the Stock Exchange and the Company <sup>(Note 2)</sup> ..... no later than 7:00 p.m. on  
Thursday, 5 May 2022

Latest date for posting of remittances in respect of  
valid acceptances received under the Offer <sup>(Note 3)</sup> ..... Tuesday, 17 May 2022

*Notes:*

1. The Offer, which is unconditional in all respects, is made on the date of posting of this Composite Document, and is capable of acceptance on and from that date until 4:00 p.m. on the Closing Date. Acceptances of the Offer shall be irrevocable and not capable of being withdrawn, except in the circumstances set out in the paragraph headed “6. Right of Withdrawal” in Appendix I to this Composite Document.
2. In accordance with the Takeovers Code, the Offer must remain opened for acceptance for at least 21 days following the date on which this Composite Document is posted. The latest time and date for acceptance of the Offer is 4:00 p.m. on Thursday, 5 May 2022 unless the Offeror revises or extends the Offer in accordance with the Takeovers Code. An announcement will be issued jointly by the Offeror and the Company through the websites of the Stock Exchange and the Company by no later than 7:00 p.m. on Thursday, 5 May 2022 stating whether the Offer has been extended, revised or expired. In the event that the Offeror decides to extend the Offer, and the announcement regarding the extension of the Offer does not specify the next closing date, at least 14 days’ notice by way of an announcement will be given before the Offer is closed to those Independent Shareholders who have not accepted the Offer.

If you wish to accept the Offer, you should ensure your duly completed and signed Form of Acceptance and the relevant documents arrive at the Registrar no later than the prescribed time. If you choose to deliver the documents by post, you should consider the timing requirements for postage.

Beneficial owners of Shares who hold their Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant should note the timing requirements (set out in Appendix I to this Composite Document) for causing instructions to be made to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures.

## EXPECTED TIMETABLE

3. Remittances in respect of the cash consideration (after deducting the seller's ad valorem stamp duty) payable for the Offer Shares tendered for acceptance under the Offer will be despatched to the Independent Shareholders accepting the Offer by ordinary post at their own risk as soon as possible, but in any event within seven (7) Business Days following the date of receipt of all relevant documents required to render such acceptance complete and valid in accordance with the Takeovers Code.
4. If there is a tropical cyclone warning signal number 8 or above, or a "black rainstorm warning signal", or "extreme condition" caused by super typhoon in force in Hong Kong at any local time:
  - (a) before 12:00 noon but no longer in force after 12:00 noon on the latest date for acceptance of the Offer and/or the posting of remittances (as the case may be), the latest time for acceptance of the Offer will remain at 4:00 p.m. on the same Business Day and/or the posting of remittances will be made on the same Business Day;
  - (b) between 12:00 noon and 4:00 p.m. on the latest date for acceptance of the Offer and/or the posting of remittances (as the case may be), the latest time for acceptance of the Offer will be rescheduled to 4:00 p.m. on the following Business Day and/or the posting of remittances will be made on the following Business Day which does not have any of those warnings or condition in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

Save as mentioned above, if the latest time for acceptance of the Offer does not take effect on the date and time as stated above, the other dates mentioned above may be affected. The Offeror and the Company will jointly notify the Independent Shareholders by way of announcement(s) in the event of any change to the expected timetable as and when appropriate.

## **IMPORTANT NOTICE**

### **NOTICE TO THE OVERSEAS SHAREHOLDERS**

The making of the Offer to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or affected by the laws or regulations of the relevant jurisdictions. Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should inform themselves about and observe any applicable legal and regulatory requirements and, where necessary, seek legal advice in respect of the Offer.

It is the responsibility of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdiction in connection with the acceptance of the Offer, including the obtaining of any governmental, exchange control or other consents and any registration or filing which may be required or the compliance with other necessary formalities or legal and regulatory requirements and the payment of any transfer or other taxes or other required payments due from such Overseas Shareholders in respect of such jurisdiction.

Any acceptance of the Offers by any Shareholder will be deemed to constitute a representation and warranty from such Shareholder to the Offeror and the Company that all the laws and regulations of the relevant jurisdictions have been complied with and that the Offer can be accepted by such Shareholder lawfully under the laws and regulations of the relevant jurisdictions. Shareholders should consult their professional advisers if in doubt.

The Offeror and the parties acting in concert with it, the Company, Rainbow Capital, BaoQiao Partners, Zhongyi Global, the Registrar, the company secretary of the Company or (as the case may be) any of their respective ultimate beneficial owners, directors, officers, agents, advisers and associates and any other person involved in the Offer shall be entitled to be fully indemnified and held harmless by the Overseas Shareholders for any taxes as such persons may be required to pay. Please see the paragraph headed “Overseas Shareholders” in the “Letter from Rainbow Capital” and the paragraph headed “8. Overseas Shareholders” in Appendix I to this Composite Document for further details.

### **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This Composite Document contains forward-looking statements, which may be identified by words such as “believe”, “expect”, “anticipate”, “intend”, “plan”, “seek”, “estimate”, “will”, “would” or words of similar meaning, that involve risks and uncertainties, as well as assumptions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. The forward-looking statements included herein are made only as at the Latest Practicable Date. The Offeror and the Company assume no obligation to correct or update the forward-looking statements or opinions contained in this Composite Document, except as required pursuant to applicable laws or regulations, including but not limited to the GEM Listing Rules and/or the Takeovers Code.

## DEFINITIONS

*In this Composite Document, unless the context otherwise requires, the following expressions shall have the following meaning:*

“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
“Business Day”	a day on which the Stock Exchange is open for the transaction of business
“CCASS”	the Central Clearing and Settlement System established and operated by the Hong Kong Securities Clearing Company Limited
“Closing Date”	5 May 2022, the closing date of the Offer, which is no less than 21 days following the date on which this Composite Document is posted, or if the Offer is extended, any subsequent closing date as the Offeror may determine and announce with the consent of the Executive and in accordance with the Takeovers Code
“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 terms and conditions of the Sale and Purchase Agreement
“Composite Document”	this composite offer and response document jointly issued by the Offeror and the Company to the Shareholders in connection with the Offer in compliance with the Takeovers Code containing, among other things, details of the Offer (accompanied by the Form of Acceptance) and the respective letters of advice from the Independent Board Committee and the Independent Financial Adviser
“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

## DEFINITIONS

“Director(s)”	the director(s) of the Company from time to time
“Encumbrances”	any lien, pledge, encumbrance, charge (fixed or floating), mortgage, third party claim, debenture, option, right of pre-emption, right to acquire, assignment by way of security, trust arrangement for the purpose of providing security or other security interests of any kind, including retention arrangements or other encumbrances and any agreement to create any of the foregoing
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
“Facility Agreement”	the facility agreement dated 2 March 2022 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
“Form of Acceptance”	the form of acceptance and transfer of the Offer Shares in respect of the Offer accompanying this Composite Document
“GEM”	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 and in particular as to whether the terms of the Offer are fair and reasonable and as to acceptance of the Offer



## DEFINITIONS

“Independent Financial Adviser” or “BaoQiao Partners”	BaoQiao Partners Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, 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
“Independent Shareholders”	the Shareholders, other than the Vendor, the Offeror and the parties acting in concert with it (including Mr. Ma, Zhongyi Global, Ms. Li Yanying and Mr. Lee Zong Peng Derek)
“Joint Announcement”	the announcement jointly issued by the Offeror and the Company dated 14 March 2022 in relation to, among other things, the Offer
“Last Trading Day”	7 March 2022, being the last trading day on which the Shares were traded on GEM before the publication of the Joint Announcement
“Latest Practicable Date”	11 April 2022, being the latest practicable date prior to the printing of this Composite Document for ascertaining certain information for inclusion in this Composite Document
“Mr. Ma”	Mr. Ma Lie (馬烈), the sole beneficial shareholder and sole director of the Offeror
“Offer”	the mandatory unconditional cash offer made 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 Period”	has the same meaning ascribed to it under the Takeovers Code and commencing from 1 March 2022, being the date of the announcement of the Company published under Rule 3.7 of the Takeovers Code to the Closing Date, or such other date to which the Offeror may decide to extend or revise the Offer in accordance with the Takeovers Code
“Offer Price”	HK\$0.167 per Offer Share in respect of the Offer

## DEFINITIONS

“Offer Shares”	all the Share(s) in issue, other than those Shares already owned and/or agreed to be acquired by the Offeror and the 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 the sole director of the Offeror
“Overseas Shareholder(s)”	Independent Shareholder(s) whose address(es), as shown on the register of members of the Company, is/are outside Hong Kong
“PRC”	the People’s Republic of China and for the purpose of this Composite Document, 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
“Registrar”	Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, the Hong Kong branch share registrar and transfer office of the Company
“Relevant Period”	the period commencing from 1 September 2021, being the date falling six months preceding the date of the announcement of the Company published under Rule 3.7 of the Takeovers Code, up to and including the Latest Practicable Date
“Remaining Shares”	80,000,000 Shares (representing 10% of the total issued share capital of the Company as at the Latest Practicable Date) 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 of six (6) months from the close of the Offer
“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

## DEFINITIONS

“Sale Shares”	440,000,000 Shares (representing 55% of the total issued share capital of the Company as at the Latest Practicable Date) 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 issued 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 Latest Practicable Date) held by Zhongsheng, which are subject to the Zhongsheng Irrevocable Undertaking
“subsidiary(ies)”	has the meaning ascribed to it under the GEM Listing Rules
“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 ultimate beneficial owner is Ms. Mo Suyun
“Zhongsheng Irrevocable Undertaking”	the irrevocable undertaking dated 7 March 2022 given by Zhongsheng to the Offeror



# LETTER FROM RAINBOW CAPITAL



Rainbow Capital (HK) Limited  
Room 5B, 12/F  
Tung Ning Building  
No. 2 Hillier Street  
Sheung Wan, Hong Kong

14 April 2022

*To the Independent Shareholders*

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFER  
BY RAINBOW CAPITAL FOR AND ON BEHALF OF  
THE OFFEROR TO ACQUIRE ALL THE ISSUED SHARES OF  
IN TECHNICAL PRODUCTIONS HOLDINGS LIMITED  
(OTHER THAN THOSE SHARES ALREADY OWNED AND/OR  
AGREED TO BE ACQUIRED BY THE OFFEROR  
AND PARTIES ACTING IN CONCERT WITH IT)**

## **INTRODUCTION**

Reference is made to the Joint Announcement dated 14 March 2022 in relation to, among other things, the Sale and Purchase Agreement and the Offer.

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 the Joint Announcement, for the Consideration of HK\$73,480,000 (equivalent to HK\$0.167 per Sale Share).

Completion took place on 7 March 2022 and the Consideration has been fully paid by the Offeror. 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.

This letter forms part of this Composite Document which sets out, among other things, the principal terms of the Offer, together with the information on the Offeror and the Offeror's intention regarding the Group. Further details on the terms and procedures for acceptance and settlement of the Offer are set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

## LETTER FROM RAINBOW CAPITAL

The Independent Shareholders are strongly advised to consider carefully the information contained in the “Letter from the Board”, the “Letter from the Independent Board Committee”, the “Letter from the Independent Financial Adviser”, the appendices as contained in this Composite Document as well as the accompanying Form of Acceptance and to consult their professional advisers if in doubt before reaching a decision as to whether or not to accept the Offer.

### THE OFFER

Rainbow Capital, on behalf of the Offeror and in compliance with the Takeovers Code, is making the Offer to acquire all the Offer Shares on the following basis:

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 is 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 thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of despatch of this Composite Document.

As at the Latest Practicable Date, the Company had not declared any dividend which remains unpaid, and the Company had no intention to declare, make or pay any dividend or other distributions prior to the close of 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.

### The Offer Price

The Offer Price of HK\$0.167 per Offer Share 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 90.92% to the closing price of HK\$1.84 per Share as quoted on the Stock Exchange on 11 April 2022, being the Latest Practicable Date;
- (ii) 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;
- (iii) 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;

## LETTER FROM RAINBOW CAPITAL

- (iv) a discount of approximately 88.20% to the average closing price of approximately 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;
- (v) a discount of approximately 84.64% to the average closing price of approximately 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;
- (vi) 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 Latest Practicable Date; and
- (vii) 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 Latest Practicable Date.

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

The highest and lowest closing prices of the Shares as quoted on GEM of the Stock Exchange during the Relevant Period 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 Latest Practicable Date, 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 Latest Practicable Date) 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

## LETTER FROM RAINBOW CAPITAL

### **Irrevocable undertakings not to accept 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 Latest Practicable Date. 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 Latest Practicable Date, 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 Latest Practicable Date), (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 amount of cash consideration payable by the Offeror under the Offer will be HK\$40,080,000, assuming there is no change in the issued share capital of the Company up to the close of the Offer.

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



## LETTER FROM RAINBOW CAPITAL

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 Latest Practicable Date, 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 did not own any interest in Zhongyi Global or Guardian Professional Services Limited as at the Latest Practicable Date. 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 Latest Practicable Date.

The Offeror does not intend that the payment of interest on, repayment of or security for any liability (contingent or otherwise) in relation to the loan facility under the Facility Agreement will depend to any significant extent on the business of the Group.

Rainbow Capital, being the financial adviser to the Offeror, is satisfied that sufficient financial resources are, and will remain, available to the Offeror to satisfy the consideration payable by the Offeror upon 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 this Composite Document.

## LETTER FROM RAINBOW CAPITAL

As at the Latest Practicable Date, the Company had 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 for 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 (7) Business Days following 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.

### **Overseas Shareholders**

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

## LETTER FROM RAINBOW CAPITAL

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, BaoQiao Partners, Zhongyi Global, the Registrar, the company secretary of the Company or (as the case may be) 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 the Independent Shareholders' acceptance or rejection of the Offer.

### **INFORMATION ON THE GROUP**

Details of the information on the Group are set out in the paragraph headed "Information on the Group" in the "Letter from the Board" contained in this Composite Document.

### **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 Latest Practicable Date, 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 Latest Practicable Date, 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.

## LETTER FROM RAINBOW CAPITAL

### **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 Latest Practicable Date, 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 mentioned in the paragraph headed “Change to the composition of the Board” below).

### **Changes to the composition of the Board**

As at the Latest Practicable Date, 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 executive and/or non-executive Directors for appointment to the Board with effect from the earliest time permitted under the Takeovers Code. As at the Latest Practicable Date, the Offeror had not identified any candidate(s) for the new executive and/or non-executive Director(s) to be appointed to the Board. 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 further announcement(s) 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 close of the Offer, less than the minimum prescribed percentage applicable to the listed issuer, being 25% of the issued Shares of the Company are held by the public, or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the Shares; or
- (ii) there are insufficient Shares in public hands to maintain an orderly market,

## **LETTER FROM RAINBOW CAPITAL**

the Stock Exchange will consider exercising its discretion to suspend dealing in the Shares. Therefore, it should be noted that upon the close 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 the Stock Exchange. The sole director of the Offeror has undertaken and the new Directors to be appointed to the Board 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. In this connection, in the event that the public float of the Company falls below 25% upon the close of the Offer, the Offeror will, as soon as practicable, dispose of such number of Shares either directly in the market or through a placing agent to be appointed by the Offeror to ensure that the public float requirement under the GEM Listing Rules can be met. The Company and the Offeror will issue a separate announcement as and when necessary in this regard in compliance with the GEM Listing Rules.

### **COMPULSORY ACQUISITION**

The Offeror does not intend to avail itself of any powers of compulsory acquisition of any outstanding Offer Shares after the Closing Date.

### **ACCEPTANCE AND SETTLEMENT**

Your attention is drawn to the details regarding the procedures for acceptance of the Offer as set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

### **GENERAL**

This Composite Document has been prepared for the purposes of complying with the Laws of Hong Kong, the Takeovers Code and the GEM Listing Rules and the information disclosed may not be the same as which would have been disclosed if this Composite Document had been prepared in accordance with the laws of jurisdictions outside Hong Kong.

To ensure equality of treatment of all Independent Shareholders, those registered Independent Shareholders who hold the Shares as nominee for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. It is essential for the beneficial owners of the Offer Shares whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Offer.

All documents and remittances in respect of the cash consideration payable for the Offer Shares will be sent to the Independent Shareholders by ordinary post at their own risk. These documents and remittances will be sent to them at their respective addresses as they appear in the register of members, or, in case of joint holders, to the Independent Shareholder whose name appears first in the said register of members, unless otherwise specified in the accompanying Form of Acceptance completed, returned and received by the Registrar. None of the Offeror and/or the parties acting in concert with it, the Company, Rainbow Capital, BaoQiao Partners, Zhongyi Global, the Registrar, or (as the case may be) any of their respective ultimate beneficial owners,

## LETTER FROM RAINBOW CAPITAL

directors, officers, agents, advisers and associates or any other person involved in the Offer will be responsible for any loss or delay in transmission or any other liabilities that may arise as a result thereof or in connection therewith.

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information regarding the Offer set out in the appendices to this Composite Document and the accompanying Form of Acceptance which forms part of this Composite Document. You are reminded to carefully read the “Letter from the Board”, the “Letter from the Independent Board Committee”, the “Letter from the Independent Financial Adviser” and other information about the Group which are set out in this Composite Document and to consult your professional advisers, before deciding whether or not to accept the Offer.

Yours faithfully,  
For and on behalf of  
**Rainbow Capital (HK) Limited**  
**Larry Choi**  
*Managing Director*

**LETTER FROM THE BOARD**



**IN TECHNICAL PRODUCTIONS HOLDINGS LIMITED**

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

**(Stock Code: 8446)**

*Executive Directors:*

Mr. Yeung Ho Ting Dennis  
*(Chairman and Chief Executive Officer)*  
Mr. Tam Chun Yu

*Registered office:*

Windward 3, Regatta Office Park,  
P.O. Box 1350,  
Grand Cayman, KY1-1108,  
Cayman Islands

*Independent non-executive Directors:*

Mr. Li Kai Sing  
Mr. Ma Tsz Chun  
Ms. Loh Lai Ping Phillis

*Principal place of business  
in Hong Kong:*

Unit D2, 5/F,  
Hoi Bun Industrial Building,  
6 Wing Yip Street, Kwun Tong,  
Kowloon, Hong Kong

14 April 2022

*To the Independent Shareholders*

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFER  
BY RAINBOW CAPITAL FOR AND ON BEHALF OF  
THE OFFEROR TO ACQUIRE ALL THE ISSUED SHARES OF  
IN TECHNICAL PRODUCTIONS HOLDINGS LIMITED  
(OTHER THAN THOSE SHARES ALREADY OWNED AND/OR  
AGREED TO BE ACQUIRED BY THE OFFEROR  
AND PARTIES ACTING IN CONCERT WITH IT)**

**INTRODUCTION**

Reference is made to the Joint Announcement dated 14 March 2022 jointly issued by the Offeror and the Company in relation to, among other things, the Sale and Purchase Agreement, the Completion and the Offer.

As disclosed in the Joint Announcement, 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 the Joint Announcement, for the Consideration of HK\$73,480,000 (equivalent to HK\$0.167 per Sale Share).

## LETTER FROM THE BOARD

Completion took place on 7 March 2022 and the Consideration has been fully paid by the Offeror. 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.

The purpose of this Composite Document (of which this letter forms part) is to provide you with, among other things: (i) the information relating to the Group, the Offeror and parties acting in concert with it; (ii) the letter from Rainbow Capital containing, among others, the details of the Offer; (iii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Offer; and (iv) a letter of advice from the Independent Financial Adviser to the Independent Board Committee in respect of the Offer.

Terms used in this letter shall have the same meanings as those defined in this Composite Document unless the context otherwise requires.

### INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Board has established 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) 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.

The Independent Financial Adviser has been 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.

### THE OFFER

Rainbow Capital, on behalf of the Offeror and in compliance with the Takeovers Code, is making the Offer to acquire all the Offer Shares on the following basis:

**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 is 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,



## **LETTER FROM THE BOARD**

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 this Composite Document.

As at the Latest Practicable Date, the Company had 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 is unconditional in all respects and is not conditional upon acceptances being received in respect of a minimum number of Shares.

Further details of the Offer, including the terms and procedures for acceptance of the Offer, are set out in the “Letter from Rainbow Capital”, Appendix I to this Composite Document and the accompanying Form of Acceptance.

### **INTENTION OF THE OFFEROR IN RELATION TO THE GROUP**

Your attention is drawn to the section headed “Intention of the Offeror in relation to the Group” in the “Letter from Rainbow Capital” in this Composite Document which sets out the intention of the Offeror in relation to the business and management of the Group.

The Board is aware that the Offeror intends to continue the existing businesses of the Group following the close of the Offer and 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 Latest Practicable Date, no such investment or business opportunity had been identified. Save for the anticipated change to the members of the Board as described in paragraph headed “Changes to the composition of the Board” in the “Letter from Rainbow Capital”, the Company is given to understand that the Offeror has (i) 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; and (ii) no intention to terminate the employment of any employees of the Group or to make significant changes to any employment.

The Board is willing to render reasonable cooperation with the Offeror which is in the best interests of the Company and the Shareholders as a whole.

### **INTENTION OF THE OFFEROR WITH RESPECT TO THE COMPOSITION OF THE BOARD**

Your attention is drawn to the section headed “Intention of the Offeror in relation to the Group — Changes to the composition of the Board” in the “Letter from Rainbow Capital” in this Composite Document.

## **LETTER FROM THE BOARD**

The Board is aware that each of Mr. Yeung Ho Ting Dennis and Mr. Tam Chun Yu will remain as a Director after the close of the Offer and all the independent non-executive Directors will resign from the Board with effect from the earliest time permitted under the Takeovers Code. The Board is also aware that the Offeror intends to nominate new Directors for appointment to the Board with effect from the earliest time permitted under the Takeovers Code and the Offeror had not identified any candidate(s) for such appointment(s) as at the Latest Practicable Date.

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 further announcement(s) will be made as and when appropriate.

### **INFORMATION ON THE OFFEROR**

Your attention is drawn to the section headed “Information on the Offeror” in the “Letter from Rainbow Capital” in this Composite Document for information on the Offeror.

### **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.

Your attention is also drawn to Appendices II and IV to this Composite Document which contain further financial and general information of the Group.

<b>LETTER FROM THE BOARD</b>
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**SHAREHOLDING STRUCTURE OF THE COMPANY**

Set out below is the shareholding structure of the Company (i) immediately before Completion; and (ii) immediately after Completion and as at the Latest Practicable Date.

	<b>Immediately before</b>		<b>Immediately after</b>	
	<b>Completion</b>		<b>Completion and as at the</b>	
			<b>Latest Practicable Date</b>	
	<i>Number of</i>	<i>Shareholding</i>	<i>Number of</i>	<i>Shareholding</i>
	<i>Shares held</i>	<i>Percentage</i>	<i>Shares held</i>	<i>Percentage</i>
		<i>(%)</i>		<i>(%)</i>
<b>Offeror and parties acting in concert with it</b>				
The Offeror	<u>—</u>	<u>—</u>	<u>440,000,000</u>	<u>55.00</u>
<b>Sub-total</b>	<u>—</u>	<u>—</u>	<u>440,000,000</u>	<u>55.00</u>
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>
<b>Sub-total</b>	800,000,000	100.00	360,000,000	45.00
<b>Total</b>	<u>800,000,000</u>	<u>100.00</u>	<u>800,000,000</u>	<u>100.00</u>

**MAINTAINING THE LISTING STATUS OF THE COMPANY**

The Stock Exchange has stated that 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, or if the Stock Exchange believes that:

- a false market exists or may exist in the trading of the Shares; or
- there are insufficient Shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend dealing in the Shares.

As disclosed in the section headed “Intention of the Offeror in relation to the Group — Public float and maintaining the listing status of the Company” in the “Letter from Rainbow Capital” in this Composite Document, the Offeror intends the Company to remain listed on the Stock Exchange. In this connection, in the event that the public float of the Company falls below 25% upon the close of the Offer, the Offeror will, as soon as practicable, dispose of such number of Shares either directly in the market or through a placing agent to be appointed by the Offeror to

## LETTER FROM THE BOARD

ensure that the public float requirement under the GEM Listing Rules can be met. The Company and the Offeror will issue a separate announcement as and when necessary in this regard in compliance with the GEM Listing Rules.

The sole director of the Offeror has undertaken and the new Directors to be appointed to the Board 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.

### RECOMMENDATIONS

Your attention is drawn to the letter from the Independent Board Committee addressed to the Independent Shareholders, the full text of which is set out on pages 23 to 24 of this Composite Document, and the letter from the Independent Financial Adviser addressed to the Independent Board Committee, the full text of which is set out on pages 25 to 43 of this Composite Document. You are advised to read both letters and the other information contained in this Composite Document carefully before taking any action in respect of the Offer.

The Independent Shareholders are recommended to consult their own professional advisers as to the tax implications that may arise from accepting the Offer.

### ADDITIONAL INFORMATION

You are advised to read the “Letter from Rainbow Capital”, “Further terms and procedures for acceptance of the Offer” in Appendix I to this Composite Document and the accompanying Form(s) of Acceptance for information relation to the Offer, the acceptance and settlement procedures of the Offer, the making of the Offer to the Overseas Shareholders and taxation. Your attention is also drawn to the additional information set out in the appendices to, and which form part of, this Composite Document.

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



**IN TECHNICAL PRODUCTIONS HOLDINGS LIMITED**

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

**(Stock Code: 8446)**

14 April 2022

*To the Independent Shareholders*

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFER  
BY RAINBOW CAPITAL FOR AND ON BEHALF OF  
THE OFFEROR TO ACQUIRE ALL THE ISSUED SHARES OF  
IN TECHNICAL PRODUCTIONS HOLDINGS LIMITED  
(OTHER THAN THOSE SHARES ALREADY OWNED AND/OR  
AGREED TO BE ACQUIRED BY THE OFFEROR  
AND PARTIES ACTING IN CONCERT WITH IT)**

We refer to the Composite Document dated 14 April 2022 jointly issued by the Offeror and the Company, of which this letter forms part. Unless specified otherwise, terms used herein shall have the same meanings as those defined in the Composite Document.

We have been appointed by the Board to form the Independent Board Committee to consider the terms of the Offer and to advise you as to whether, in our opinion, the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned and to make a recommendation as to acceptance of the Offer.

BaoQiao Partners has been appointed as the Independent Financial Adviser to advise us in respect of the terms of the Offer and as to acceptance of the Offer. Your attention is drawn to the “Letter from the Independent Financial Adviser” as set out in the Composite Document containing its advice to us and the principal factors and reasons taken into account by it in arriving at such advice.

We also wish to draw your attention to the “Letter from Rainbow Capital” and the “Letter from the Board” as set out in the Composite Document as well as the additional information set out in the appendices to the Composite Document.

**RECOMMENDATION**

Having considered the terms of the Offer, the information contained in the Composite Document and the principal factors and reasons considered by, and the independent advice of the Independent Financial Adviser, as set out in its letter of advice, we consider that the terms of the Offer are not fair and not reasonable so far as the Independent Shareholders are concerned.

## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Accordingly, we recommend the Independent Shareholders not to accept the Offer. The Shareholders are recommended to read the full text of the “Letter from the Independent Financial Adviser” set out in the Composite Document.

For those Independent Shareholders who are considering to realise all or part of their holdings in the Shares, they should closely monitor the market price and liquidity of the Shares during the period of the Offer. Should the market price of the Shares exceed the Offer Price during the period of the Offer, and the sale proceeds (net of transaction costs) exceed the net proceeds receivable under the Offer, the Independent Shareholders may wish to consider selling their Shares in the market instead of accepting the Offer.

In any case, you should consider carefully the terms of the Offer and your own individual circumstances and investment objectives before deciding whether to accept or not to accept the Offer. If in doubt, you should consult your own professional advisers for professional advice. Furthermore, the Independent Shareholders who wish to accept the Offer are recommended to read carefully the procedures for accepting the Offer as detailed in the Composite Document and the accompanying Form of Acceptance.

Yours faithfully,

For and on behalf of the

**Independent Board Committee**

**In Technical Productions Holdings Limited**

**Mr. Li Kai Sing**

*Independent non-executive*

*Director*

**Mr. Ma Tsz Chun**

*Independent non-executive*

*Director*

**Ms. Loh Lai Ping Phillis**

*Independent non-executive*

*Director*

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

*The following is the full text of the letter of advice from BaoQiao Partners Capital Limited to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this Composite Document.*



### **BAOQIAO PARTNERS CAPITAL LIMITED**

Unit 2803-2805, 28/F, Tower 1, Admiralty Centre,  
18 Harcourt Road, Admiralty, Hong Kong

14 April 2022

*To the Independent Board Committee of  
In Technical Productions Holdings Limited*

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY  
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)**

#### **INTRODUCTION**

We refer to our engagement as the Independent Financial Adviser to advise the Independent Board Committee in relation to the Offer. Our aforesaid appointment has been approved by the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code. Details of the Offer are set out in the letter from the Board (the “**Letter from the Board**”) contained in the Composite Document dated 14 April 2022 jointly issued by the Offeror and the Company to the Shareholders, of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Composite Document, unless otherwise specified.

Reference is made to the announcement jointly issued by the Offeror and the Company dated 14 March 2022 in relation to, among others, the Sale and Purchase Agreement and the Offer (the “**Joint Announcement**”).

The Company was informed by the Vendor that on 7 March 2022 (after trading hours of the Stock Exchange), 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

## **LETTER FROM THE INDEPENDENT FINANCIAL ADVISER**

dispose of, 440,000,000 Shares, representing 55% of the total issued share capital of the Company as at the date of the Joint Announcement, for the Consideration of HK\$73,480,000 (equivalent to HK\$0.167 per Sale Share).

Completion took place on 7 March 2022. Prior to 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.

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

The Independent Board Committee, comprising all the independent non-executive Directors (being Mr. Li Kai Sing, Mr. Ma Tsz Chun and Ms. Loh Lai Ping Phillis) who have no direct or indirect interest in the Offer, 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.

We, BaoQiao Partners Capital Limited, have been appointed as the Independent Financial Adviser 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 the acceptance of the Offer.

### **OUR INDEPENDENCE**

In the two years prior to the Latest Practicable Date, we have not acted in any capacity in relation to any transactions of the Company. As at the Latest Practicable Date, we do not have any relationship with, or have any interest in, the Company, the Offeror, their respective controlling shareholders, or any party acting, or presumed to be acting, in concert with any of them that could reasonably be regarded as relevant to our independence. Apart from the normal professional fees payable to us in connection with this appointment as the Independent Financial Adviser, no other arrangement exists whereby we had received or will receive any fees or benefits from the Company, the Offeror, their respective controlling shareholders, or any party acting, or presumed to be acting, in concert with any of them. As such, we consider that we are independent and can act as the Independent Financial Adviser under Rule 2.1 of the Takeovers Code and Rule 17.96 of the GEM Listing Rules.

### **BASIS OF OUR OPINION**

In formulating our opinion and recommendation, we have relied on the statements, information, opinions and representations contained or referred to in the Composite Document and the information, opinions and representations provided to us by the management of the Company



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(the “**Management**”), the Company, the Offeror, the sole director of the Offeror and their respective professional advisers. We have reviewed, among others, the Sale and Purchase Agreement, the annual report of the Company for the year ended 31 May 2021 (“**2021 Annual Report**”), the interim report of the Company for the six months ended 30 November 2021 (“**2021/22 Interim Report**”) and other information, representations and opinions as contained or referred to in this Composite Document and those provided by the Management, the Company, the Offeror, the sole director of the Offeror and their respective professional advisers. We have assumed that all information and representations that have been provided by the Management, for which they are solely and wholly responsible, were true, accurate and complete in all material respects and not misleading or deceptive at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and representations made by the Management, the Company, the Offeror, the sole director of the Offeror and their respective professional advisers in the Composite Document and/or discussed with/provided to us were reasonably made after due enquiries and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Composite Document, or the reasonableness of the opinions expressed by the Management, the Company, the Offeror, the sole director of the Offeror and their respective professional advisers, which have been provided to us.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs, financial condition and future prospects of the Group. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. The Company will notify the Independent Shareholders of any material change to information contained in or referred to in the Composite Document as soon as possible in accordance with Rule 9.1 of the Takeovers Code. The Independent Shareholders will also be informed as soon as possible when there is any material change to information contained in or referred to herein as well as any changes to our opinion, if any, after the Latest Practicable Date.

We have not considered the taxation implication, if any, on the Shareholders as a result of the acceptance or non-acceptance of the Offer. We will not accept responsibility for any tax effect or liability that may potentially incurred by the Independent Shareholders as a result of the Offer. In particular, Independent Shareholders who are subject to Hong Kong or overseas taxation on dealings in securities are urged to seek their own professional advisers on tax matters.

This letter is issued for the information of the Independent Board Committee solely in connection with their consideration of the matters relating to the Offer, and, except for its inclusion in the Composite Document, and for publication on the websites of the SFC ([www.sfc.hk](http://www.sfc.hk)), the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company (<https://intechproductions.com>) as required under the Takeovers Code and the GEM Listing Rules, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

### PRINCIPAL FACTORS AND REASONS TAKEN INTO CONSIDERATION ON THE OFFER

In arriving at our opinion and recommendation in respect of the Offer, we have taken into consideration the following principal factors and reasons:

#### 1. 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.

#### 2. Financial information of the Group

Set out below is a summary of the audited consolidated financial information of the Group for the financial years ended 31 May 2020 (“**FY2020**”) and 31 May 2021 (“**FY2021**”) as extracted from the 2021 Annual Report and the unaudited consolidated financial information of the Group for the six months ended 30 November 2020 (“**HY2020/21**”) and 30 November 2021 (“**HY2021/22**”) as extracted from the 2021/22 Interim Report:

	<b>FY2020</b>	<b>FY2021</b>	<b>HY2020/21</b>	<b>HY2021/22</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Audited)</i>	<i>(Audited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Revenue				
— Visual display solutions	44,403	12,022	3,362	11,711
— Equipment rental	312	327	16	619
	44,715	12,349	3,378	12,330
Gross profit/(loss)	2,714	(22,501)	(12,474)	(4,608)
Gross profit/(loss) margin	6.1%	(182.2)%	(369.3)%	(37.4)%
Loss for the year/period	(24,305)	(35,078)	(18,687)	(9,093)
			<b>As at</b>	
		<b>As at 31 May</b>	<b>30 November</b>	
		<b>2020</b>	<b>2021</b>	<b>2021</b>
		<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>
Total assets		130,068	101,097	96,982
Total liabilities		24,767	30,764	35,742
Net assets attributable to owners of the Company		105,595	70,690	61,668

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The Group's revenue comprises services and related fees for the provision of visual display solutions services and income from equipment rental. It derives revenue mostly from services provided in Hong Kong, with less than 10% of revenue derived from activities conducted outside Hong Kong.

### ***FY2021 vs FY2020***

The Group's total revenue decreased by 72.5% from approximately HK\$44.7 million for FY2020 to approximately HK\$12.3 million for FY2021. Revenue from the provision of visual display solutions services were approximately HK\$44.4 million and approximately HK\$12.0 million respectively, which accounted for 99.3% and 97.6% of the Group's total revenue for FY2020 and FY2021 respectively while equipment rental income for FY2020 and FY2021 remained stable at approximately HK\$0.3 million, which contributed approximately 0.7% and 2.4% of the Group's total revenue respectively. As disclosed in the 2021 Annual Report, the decrease in revenue for FY2021 was mainly attributable to (i) significant drop of the average revenue per show by 76.2% for the pop concerts and other live events undertaken by the Group during the FY2021; and (ii) the number of pop concerts undertaken by the Group decreased from 269 for FY2020 to 65 for FY2021.

In line with the substantial decrease in revenue, the Group recorded gross loss of approximately HK\$22.5 million for FY2021 as compared to gross profit of approximately HK\$2.7 million for FY2020 and an increase in loss for the year from approximately HK\$24.3 million for FY2020 to approximately HK\$35.1 million for FY2021.

As at 31 May 2021, the Group had total assets of approximately HK\$101.1 million which comprised mainly property, plant and equipment of approximately HK\$74.6 million; and prepayments, deposits and other receivables of approximately HK\$15.5 million. The Group's total liabilities amounted to approximately HK\$30.8 million as at 31 May 2021 which mainly included other payables and accrued liabilities of approximately HK\$13.8 million, bank borrowings of approximately HK\$9.5 million and lease liabilities of approximately HK\$5.4 million.

Net assets attributable to owners of the Company decreased by approximately HK\$34.9 million from approximately HK\$105.6 million as at 31 May 2020 to approximately HK\$70.7 million as at 31 May 2021, due mainly to the increase in loss of approximately HK\$35.1 million for FY2021.

### ***HY2021/22 vs HY2020/21***

The Group's total revenue increased by 261.8% from approximately HK\$3.4 million for HY2020/21 to approximately HK\$12.3 million for HY2021/22. Revenue from the provision of visual display solutions service were approximately HK\$3.4 million and approximately HK\$11.7 million respectively, which accounted for 99.5% and 95.0% of the Group's total revenue for HY2020/21 and HY2021/22 respectively while equipment

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rental income for each of HY2020/21 and HY2021/22 was approximately HK\$16,000 and HK\$619,000, representing 0.5% and 5.0% of the Group's total revenue for the respective periods. The increase in revenue was mainly attributable to (i) the increase in the number of both pop concerts (i.e. from 29 for HY2020/21 to 49 for HY2021/22) and other live events (i.e. from 677 for HY2020/21 to 739 for HY2021/22) undertaken by the Group during HY2021/22; (ii) the average revenue per show for pop concerts and other live events undertaken by the Group tripled during HY2021/22.

Due to the increase in revenue during HY2021/22, the Group reported reduction in gross loss from approximately HK\$12.5 million for HY2020/21 to approximately HK\$4.6 million for HY2021/22 and an improvement in loss for the year from loss of HK\$18.7 million for HY2020/2021 to loss of approximately HK\$9.1 million for HY2021/2022.

As at 30 November 2021, the Group had total assets of approximately HK\$97.0 million which comprised mainly property, plant and equipment of approximately HK\$69.0 million; and prepayments, deposits and other receivables of approximately HK\$13.3 million. The Group's total liabilities amounted to approximately HK\$35.7 million as at 30 November 2021 which mainly included other payables and accrued liabilities of approximately HK\$16.3 million, bank borrowings of approximately HK\$11.1 million and lease liabilities of approximately HK\$5.3 million.

The Group recorded net assets attributable to owners of the Company of approximately HK\$61.7 million, representing a decrease of approximately HK\$9.0 million as compared to that of 31 May 2021. The decrease in net assets was mainly due to the increase in loss of approximately HK\$9.0 million for HY2021/22.

### *Independent Auditor's Opinion*

Based on the independent auditor's report of the Company for the year ended 31 May 2021, the independent auditor of the Company pointed out that (i) the Group's operations were adversely affected by the COVID-19 pandemic, the COVID-19 restrictions and control measures; (ii) the Group incurred a net loss of approximately HK\$35.1 million and net cash used in operating activities of approximately HK\$8.0 million for the year ended 31 May 2021; and (iii) as at 31 May 2021, the Group had net current liabilities of approximately HK\$12.1 million and maintained cash and cash equivalents of approximately HK\$1.2 million, and was of the view that all the above indicated the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. The opinion of the independent auditor of the Company in respect of the consolidated financial statements of the Group for the year ended 31 May 2021 was not modified in respect thereof.

In addition, the Company stated in the 2021 Annual Report that whether the Group will be able to continue as a going concern depends upon the Group's ability to generate adequate operating cash inflows through (i) gradual resumption of business with further easing of controls measures related to COVID-19 and as anticipated by the Management to generate sufficient operating cash inflows; (ii) successful collection of overdue trade receivables in the expected timeframe; (iii) successful in draw down of the banking

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facilities as and when needed; and (iv) successful implementation of various cost saving measures and control of capital expenditures when necessary (the “**Plans and Measures**”). Based on our discussion with the Management, we have been advised that the Plans and Measures have been carried out by the Group as planned, the Directors are confident that the Group will be able to continue as a going concern and the Group’s business, as evidenced by the substantial increase in revenue and reduction in loss for HY2021/22, is expected to improve with the recovery of the COVID-19 situation in Hong Kong as discussed in the section headed “3. Outlook of the Group” below.

Nevertheless, we consider that despite the improvement in the financial results for HY2021/22, the Group continued to record loss for HY2021/22 and net current liabilities of HK\$12.5 million as at 30 November 2021 and it remains unsure whether the Group can achieve turnaround results and improve its financial performance and position consistently in the long run. In addition, the prospects of the Group’s business, despite certain positive developments as discussed in the section headed “3. Outlook of the Group” below, remain uncertain as it is yet to be clear whether any synergy effects between the Group and the Offeror as discussed in the section headed “4. Background Information of the Offeror” below in this letter will materialise. Should the Group be unable to operate as a going concern, adjustments would have to be made to reduce the carrying values of the Group’s assets to their recoverable amounts, to provide for financial liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively in the Group’s consolidated financial statements.

In view of the above, the Independent Shareholders should closely monitor the market price and liquidity of the Shares during the Offer Period and carefully consider the relevant risks and uncertainties based on their individual risk preference and tolerance level. Those Independent Shareholders who decide to retain part or all of their investments in the Shares should also carefully monitor the financial performance of the Group as well as the intention of the Offeror in relation to the Group in the future (further details have been set out in the section headed “4. Background Information of the Offeror” in this letter), and the potential difficulties they may encounter in disposing of their investments in the Shares after the close of the Offer.

### **3. Outlook of the Group**

The Group is a visual display solution provider specialised in visual display effects and equipment for pop concerts, corporate events and exhibitions in Hong Kong, Macau and Greater China region.

As disclosed in the 2021 Annual Report, the Group’s business has been negatively affected by the COVID-19 pandemic. Shows and events were forced to postpone, reschedule or cancel, which resulted in a significant drop in the Group’s revenue for FY2021. For HY2021/22, although the Group’s business has been gradually recovering with increasing numbers of shows undertaken by the Group during HY2021/22 as a result of the easing of

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social distancing measures in Hong Kong, lower marginal benefits on profitability was noted as the average revenue per show undertaken by the Group was still far lower than the pre-COVID period. In light of the above and based on our discussion with the Management, with the resurgence of the COVID-19 pandemic in Hong Kong since early 2022, it is no doubt that the COVID-19 pandemic will continue to cast a shadow over the Group's business in the short term. Given the recent announcement made by the Hong Kong Government regarding the gradual relaxation of the anti-pandemic measures from late April 2022 and that the Financial Secretary of Hong Kong has recently expressed his confidence that the situation in Hong Kong will be much improved by the end of 2022, the Group will seize the opportunities from the expected rebound of the demand for pop concerts, exhibitions and other live performances in Hong Kong after the pandemic is under control, and thus improve its business.

With the outlook the Group's business of the traditional shows and events remains weak, as disclosed in the 2021 Annual Report, the Group has started and continues to explore a new business opportunity arising from the popular demand of streaming online concerts and extended reality (xR) shows/events with extensive usage of visual displays with visual effects ("**xR Solutions**"). Since 2020, the Group has cooperated with various artists for the provision of xR Solutions services in virtual concerts and music TVs and the Group considers that this new technology can be brought into the entertainment or even the TV and filming industry with a view to extending the Group's services into different markets and thus broaden the income stream of the Group.

The Group has noted an increasing demand for the application of xR Solutions in the entertainment business. The Company is of the view that, with the gradual recovery of the COVID-19 situation in Hong Kong and the new xR Solutions business opportunities, the Group's business will improve so as its growth prospects.

Based on the above, we consider that the Group has business plans in place to take advantage of opportunities on the new markets and its business condition and growth prospects will be benefited from the recovery from the COVID-19 pandemic situation. However, due to the expected changes in the composition of the Board and there is no plan for future business direction or investments laid out by the Offeror as discussed in the section headed "4. Background Information of the Offeror" below, there is uncertainty as to the prospects and outlook of the business of the Group.

#### **4. Background Information of the Offeror**

##### *The Offeror*

The Offeror is a company incorporated in the Cayman Islands with limited liability and is an investment holding company. As at the Latest Practicable Date, the sole beneficial shareholder and sole director of the Offeror was Mr. Ma who is a professional investor. As at the Latest Practicable Date, Mr. Ma was 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.

## **LETTER FROM THE INDEPENDENT FINANCIAL ADVISER**

### ***Intention of the Offeror in relation to the Group***

As disclosed in the Letter from Rainbow Capital in the Composite Document, 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 Latest Practicable Date, 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 Latest Practicable Date, 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 executive and/or non-executive Directors for appointment to the Board with effect from the earliest time permitted under the Takeovers Code. The Offeror confirmed that as at the Latest Practicable Date, the Offeror had not identified any candidate(s) for the new Director(s) (executive and/or non-executive) to be appointed to the Board. 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 Offeror intends that the Company shall remain listed on the Stock Exchange after the close of the Offer. Pursuant to the GEM Listing Rules, if, after 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 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

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may exercise its discretion to suspend trading in the Shares. The Offeror will take appropriate steps to ensure that sufficient public float as required under the GEM Listing Rules exists for the Shares after the close of the Offer. Based on the above, we note that the Company's listing status will be maintained and the Independent Shareholders who do not accept the Offer will continue to be able to trade their Shares through the market after the close of the Offer.

As noted from the biographical details of the Offeror disclosed in the Letter from Rainbow Capital, the Offeror does not possess prior experience in the same industry as the Group. We note that each of Mr. Yeung Ho Ting Dennis, and Mr. Tam Chun Yu (both are the existing executive Directors) will remain as a Director after the close of the Offer, and we are of the view that both of them will continue to provide positive inputs to the Group's future business development. Also, no material changes in terms of the business and operations are expected after the close of the Offer. There appears no material concern of the Offeror introducing radical changes to the Group which may materially alter the prevailing status and situations of the Group. However, we note that the Offeror intends to nominate new Directors to the Board but no candidate has been identified by the Offeror as at the Latest Practicable Date. As such, we are uncertain whether the new Directors possess specific experience in the visual display solutions industry. In addition, 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, but no business plan or any investment or business opportunity had been identified as at the Latest Practicable Date. As such, due to the expected changes in the composition of the Board and the Offeror's intention mentioned above, in longer term, we consider that, depending on the decision of the Board in the future, there may be potential changes in the Group's business operation and strategies, the impact of which is uncertain.

We are of the view that the above information allows the Independent Shareholders to conduct their own assessments of whether to continue investing in the Shares based on development of the Group that they are already informed of.

The Offer provides an exit alternative for the Independent Shareholders who would like to realise their investments in the Shares, nevertheless, for those Independent Shareholders who, after reading through the recent financial statements of the Company and/or the Composite Document, are optimistic about the future prospects of the Group after the Offer, may, having regard to their own circumstances, consider retaining all or any part of their Shares.



## **5. Analysis of the Offer Price**

To assess the fairness and reasonableness of the Offer Price, we have considered the following factors.

### ***Offer Price Comparison***

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:

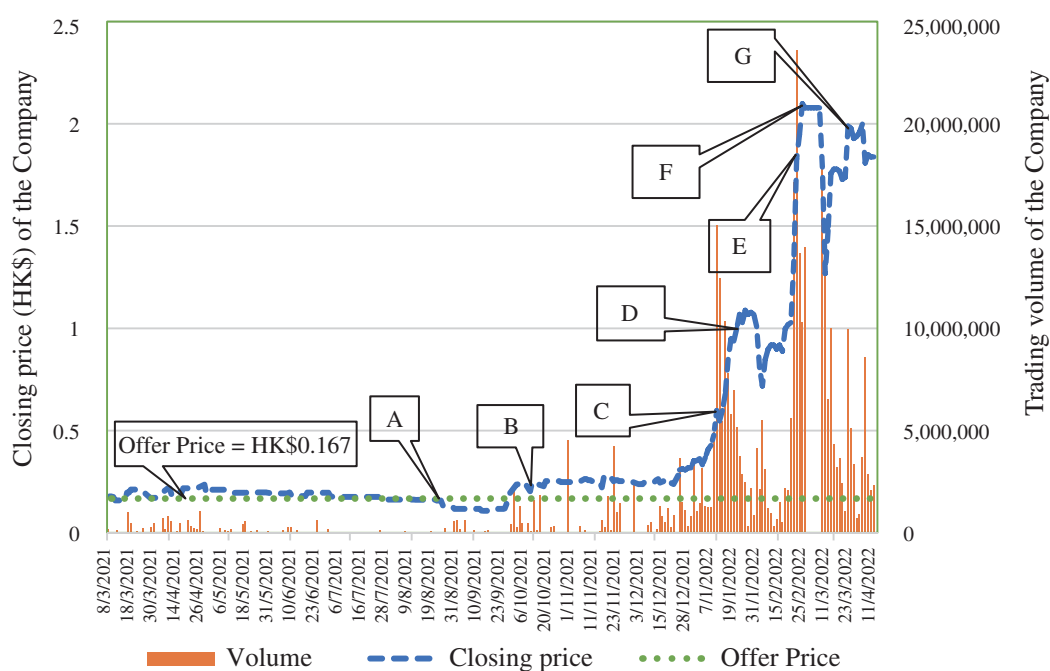
- (i) a discount of approximately 91.97% to the closing price of HK\$2.08 per Share as quoted on the Stock Exchange on 7 March 2022, being the Last Trading Day;
- (ii) a discount of approximately 91.01% to the average closing price of HK\$1.858 per Share based on the daily closing prices as quoted on 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 discount of approximately 90.92% to the closing price of HK\$1.84 per Share as quoted on the Stock Exchange as at the Latest Practicable Date;
- (vi) 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 Latest Practicable Date; and
- (vii) 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 Latest Practicable Date.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

### *Historical price movement of the Shares*

Set out below is the movement of the closing prices of the Shares as quoted on the Stock Exchange during the period from 8 March 2021 (being the date one year prior to the Last Trading Day) and 7 March 2022 being the Last Trading Day (the “**Pre-Announcement Period**”), and the period from 15 March 2022, being the day after the Joint Announcement was published, up to and including the Latest Practicable Date (the “**Post-Announcement Period**”, and together with the Pre-Announcement Period, the “**Review Period**”). We are of the view that the price performance of Shares during the Review Period can sufficiently and fairly reflect the market perception on the Company’s performance and outlook.

### Share Price Performance during the Review Period



Source: the website of the Stock Exchange

Date	Key Events
24 August 2021	(A) Annual results announcement of the Company for FY2021
12 October 2021	(B) First quarterly results announcement of the Company for the three months ended 31 August 2021
14 January 2022	(C) Interim results announcement of the Company for the six months ended 30 November 2021 (“ <b>Interim Results Announcement</b> ”)
25 January 2022	(D) Voluntary announcement of the memorandum of understanding in relation to proposed acquisition of Shenzhen Xinhang Information Technology Limited (“ <b>January MOU Announcement</b> ”)
1 March 2022	(E) Rule 3.7 Announcement regarding the possible Offer (“ <b>Rule 3.7 Announcement</b> ”)
14 March 2022	(F) Joint Announcement in respect of the Sale and Purchase Agreement and the Offer
28 March 2022	(G) Voluntary announcement of the memorandum of understanding in relation to proposed acquisition (“ <b>March MOU Announcement</b> ”)

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

During the Review Period, the highest and lowest closing prices of the Shares were HK\$0.11 on 17 September 2021, 20 September 2021 and 21 September 2021 and HK\$2.10 per Share on 4 March 2022 respectively. The Offer Price represents a discount of approximately 61.16% to the average closing price per Share of approximately HK\$0.43 per Share during the Review Period.

### *Pre-Announcement Period*

From the beginning of the Review Period in early March 2021 to the Last Trading Day, the Shares closed between HK\$0.11 per Share and HK\$2.10 per Share. The closing prices of the Shares were higher than the Offer Price in 195 trading days out of 245 trading days during the Pre-Announcement Period. The closing price of the Shares generally moved between HK\$0.18 and HK\$0.32 from the start of the Review Period to December 2021. An upward trend is observed commencing from early January 2022. After making enquiries with the Management, we note that the Management is not aware of any specific reason for the aforesaid upward trend commencing from early January 2022. The trend persisted until 28 January 2022 when the closing price climbed to HK\$1.09. Since then, the Share price dropped to HK\$0.72 on 10 February 2022, then rebounded to HK\$1.33 per Share on 25 February 2022, the last trading day before trading halt of the Shares pending the release of the Rule 3.7 announcement on 1 March 2022, after which the closing price surged further and reached to its highest closing price within the Review Period at HK\$2.10 on 4 March 2022.

### *Post-Announcement Period*

When trading in Shares resumed on 15 March 2022, the closing price per Share declined to a range of HK\$1.27 to HK\$2.00 during the Post-Announcement Period and was closed at HK\$1.84 as at the Latest Practicable Date. The trading prices of Shares during the Post-Announcement Period had been at lower levels than during the last month of the Pre-Announcement Period but higher than the Offer Price.

The Offer therefore does not appear to have material effects on the price trends of the Shares. Based on the fact that the Offer Price is below the average of closing prices of the Shares during the Review Period, and in particular, recent prices of Shares remain substantially higher than the Offer Price, we are of the view that the Offer Price is not fair and not reasonable from the point of view of the historical trading price of the Shares.

Independent Shareholders should note that the information set out above is not an indication of the future performance of the Shares and that the price of the Shares may increase or decrease during the period between the Latest Practicable Date and the close of the Offer.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

### *Historical trading liquidity of the Shares*

The following table sets out the average daily trading volume of the Shares for each month or period and the percentages of such average daily trading volume to the total number of Shares in issue and held by the public during the Review Period.

Month/Period	Monthly total trading volume	Number of trading days	Average daily trading volume (Note 1)	Percentage of the average daily trading volume to the total number of issued Shares (Note 2)	Percentage of the average daily trading volume to the total number of issued Shares held by the public (Note 3)
<b>2021</b>					
March	2,930,000	18	162,778	0.02%	0.08%
April	5,380,000	19	283,158	0.04%	0.14%
May	2,110,000	20	105,500	0.01%	0.05%
June	1,760,000	21	83,810	0.01%	0.04%
July	220,000	21	10,476	0.00%	0.01%
August	510,000	22	23,182	0.00%	0.01%
September	2,850,000	21	135,714	0.02%	0.07%
October	8,960,000	18	497,778	0.06%	0.25%
November	14,700,000	22	668,182	0.08%	0.33%
December	15,290,005	22	695,000	0.09%	0.35%
<b>2022</b>					
January	97,400,000	21	4,638,095	0.58%	2.32%
February	50,100,000	16	3,131,250	0.39%	1.57%
March (1st to 7th) (Pre-Announcement Period)	61,548,200	4	15,387,050	1.92%	7.69%
March (15th to 31st) (Post-Announcement Period)	82,810,000	13	6,370,000	0.80%	3.19%
April (up to the Latest Practicable Date)	20,500,000	6	3,416,667	0.43%	1.71%

*Source: the website of the Stock Exchange*

*Notes:*

1. Average daily trading volume is calculated by dividing the total trading volume for the month/period by the number of trading days in the respective month/period.
2. Percentage of average daily trading volume to the total number of issued Shares is calculated by dividing the average daily trading volume for the month/period by the total number of Shares in issue at the end of each month/period.
3. Percentage of average daily trading volume to the total number of issued Shares held by the public is calculated by dividing the average daily trading volume for the month/period by the total number of Shares in issue held by the Independent Shareholders as at the end of each month/period.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

### *Pre-Announcement Period*

As illustrated in the above table, during the Pre-Announcement Period, the percentage of the average daily trading volume to the total number of issued Shares ranged from approximately 0.00% to 1.92%. When compared to the total number of Shares held by public Shareholders, the percentage ranged from approximately 0.01% to 7.69% over the Pre-Announcement Period. Overall, the trading volume of the Shares was relatively thin during the Pre-Announcement Period where average daily trading volume of Shares were below 1 million Shares save for the months of January, February and the period from 1 March 2022 to 7 March 2022. Based on our discussion with the Management, there were no apparent reasons for the aforesaid trading volume increases, save that the comparatively higher trading volume in January 2022 coincided with the Interim Results Announcement on 14 January 2022 and the January MOU Announcement dated 25 January 2022, during which the average daily trading volume rose to the region between approximately 5 million Shares and approximately 15 million Shares. Subsequent to this, the average daily trading volume of Shares reduced to between 330,000 Shares and approximately 5 million Shares until 25 February 2022, the last trading day prior to trading halt of the Shares pending the release of the Rule 3.7 Announcement on 1 March 2022. The average daily trading volume of Shares was over 10 million Shares since 25 February 2022 and up to and including the Last Trading Day.

### *Post-Announcement Period*

The average daily trading volume of the Shares ranged from 740,000 to 18,370,000 during the Post-Announcement Period, representing 0.68% of the issued Shares of the Company as at the Latest Practicable Date and 2.72% over the total number of Shares held by the public Shareholders as at the Latest Practicable Date. We note that the percentages of the average daily trading volume of the Shares to the total issued Shares and the total number of Shares held by the public Shareholders increased by 423.08% and 403.70% respectively during the Post-Announcement Period as compared to that of the Pre-Announcement Period. In particular, the trading volume of approximately 18 million Shares on the first trading day during the Post-Announcement Period was the highest during the Review Period, representing 2.30% and 9.19% respectively of the total issued Shares and the total number of Shares held by the public Shareholder as at the Latest Practicable Date. We believe that the relatively high level of trading volume during the Post-Announcement Period was stimulated by the information in the Joint Announcement.

In addition, we note that the daily trading volume on 28 March 2022 (i.e. date of publication of the March MOU Announcement) has increased to approximately 10 million Shares from approximately 1 million Shares on the last trading day before the March MOU Announcement. Nevertheless, the daily trading volume dropped by almost

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50% the day after the March MOU Announcement. Based on our discussion with the Management, save for the March MOU Announcement, the Management is not aware of any other reasons for the increase in trading volume during the day of 28 March 2022.

Notwithstanding the increase in trading volume in the Post-Announcement Period, taking into account the fact that the daily trading volume of the Shares was mostly under 1% and 5% respectively of the total issued Shares and the total number of Shares held by the public Shareholders as at the Latest Practicable Date during the Post-Announcement Period, we are of the view that the trading volume of Shares can be considered generally low, and in normal circumstances, if the Independent Shareholders are to dispose of a large number of Shares in the market, it may exert downward pressure on the market price of Shares.

While the Offer may represent an opportunity for Independent Shareholders to dispose of Shares at a fixed price; in this case however, given that the Offer Price is substantially below prevailing market price of Shares as at the Latest Practicable Date, we are of the view that the Offer Price is unattractive so far as Independent Shareholders are concerned and Independent Shareholders who intend to realise their investment in the Company may choose to sell their Shares in the market instead of accepting the Offer, unless they are not able to do so in the market.

### *Comparable analysis*

In assessing the fairness and reasonableness of the Offer Price, we have performed analysis of the valuation of the Group at the Offer Price compared with the prevailing market valuation of other companies listed on the Stock Exchange that are engaged in similar businesses to those of the Group. We note that the Group only has one operating segment, being the provision of visual display solution services which complemented with equipment rental. Taking into account the nature of the business of the Group, our selection criteria focused on companies that (i) were listed on the Stock Exchange on the Latest Practicable Date; (ii) are principally engaged in the provision of hardware application and solution related services; and (iii) had derived over 50% of its revenue from the provision of the hardware application and solution related services; (iv) had under HK\$1.0 billion of market capitalisation as at the Last Trading Day.

Price-to-earnings ratio (“**P/E Ratio**”) and price-to-book ratio (“**P/B Ratio**”) are two of the most commonly used benchmarks for valuation of companies. Given that the Group reported consolidated net loss attributable to the Shareholders for FY2021, P/E Ratio is not applicable for our analysis. P/B Ratio is common for analysis of companies which require reasonable level of assets for its business operations. According to the 2021/22 Interim Report, major assets of the Group mainly comprised (i) current assets (including mainly trade receivables, prepayment and deposits and inventories) which have relatively high liquidity and are essential for providing working capital for the Group’s business operations and accounted for approximately 19.8% of the Group’s total

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assets; and (ii) book value of property and equipment accounted for approximately 71.1% of the Group's total assets. In this regard, we consider that the P/B Ratio analysis is an applicable valuation method for our assessment of the Offer Price.

We have identified three companies (the “**Comparables**”) that fall into the abovementioned selection criteria. Whilst there exist no companies which are of identical business model, scale of operation, trading prospect, target markets, product mix and capital structure as the Company and we have not conducted any in-depth investigation into the business and operations of the Comparables, we believe the Comparables selected based on the aforesaid selection criteria are fair and representative samples for comparison purpose, and represent an exhaustive list of relevant comparable companies and are appropriate to serve as a benchmark reference for our comparable analysis purpose.

No.	Company Name	Principal Business(es)	Market Capitalisation (HK\$' million) (Note 1)	Net assets attributable to owners of the company (HK\$' million) (Note 2)	P/B Ratio (times) (Note 3)
1	i-Control Holdings Limited (1402)	The group is principally engaged in the provision of video conferencing and multimedia audiovisual solutions.	498.99	169.72	2.94
2	Home Control International Limited (1747)	The group is principally engaged in the provision of home control solution.	331.08	136.31	2.43
3	ISP Global Limited (8487)	The group is principally engaged in (i) provision of sale of sound and communication systems and related services; (ii) provision of integrated services of sound and communication systems; and (iii) provision of alert alarm system services.	183.04	135.34	1.35
			<b>Maximum</b>		2.94
			<b>Minimum</b>		1.35
			<b>Average</b>		2.24
			<b>Median</b>		2.43
	The Company (8446)	The Group is principally engaged in provision of visual display solution services.	133.6	61.67	2.17

*Source: the website of Bloomberg and the Stock Exchange*

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*Notes:*

1. Market capitalisation is calculated based on the closing share price and the number of Shares in issue as at the Last Trading Day (i.e. 07 March 2022) based on information from the website of the Stock Exchange. In the case of the Company, it is calculated based on the Offer Price.
2. Net asset value attributable to owners of the company is extracted from the latest audited or unaudited financial statements of the company available on the Latest Practicable Date.
3. Price-to-book ratio is calculated by dividing market capitalisation by net asset value attributable to owners of the company.

As shown in the table above, the implied P/B ratio of the Company (calculated using the Offer Price) of 2.17 times is lower than the average P/B ratio of the Comparables of approximately 2.24 times and the median of the Comparables of 2.43 times. On this basis, we are of the view that from a comparable analysis perspective, the Offer Price is not fair and not reasonable.

### RECOMMENDATION

Notwithstanding that there are certain positive developments, in particular the Company has identified new business opportunities (i.e. the application of xR Solutions in the entertainment business) and the recovery from the COVID-19 situation in Hong Kong that may improve the loss making business of the Group in the past financial year/period, there is uncertainty as to the prospects and outlook of the business of the Group as it is unsure whether there will be any synergy effects between the Group and the Offeror as disclosed in section headed “4. Background information of the Offeror” in this letter, taking into consideration below factors and reasons:

- (a) the Offer Price is substantially below the average closing prices per Share during the Review Period as well as recent prices of Shares during the Post-Announcement Period; and
- (b) the implied price-to-book ratio is lower than the average and median of the Comparables.

we consider that the terms of the Offer, in particular the Offer Price, are not fair and not reasonable. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders not to accept the Offer.

Nevertheless, the Independent Shareholders should also note that (i) there is no guarantee that the Share price will sustain at a level above the Offer Price after the Closing Date; (ii) the Independent Shareholders (especially those with relatively sizeable shareholdings) may not be able to realise their investments in the Shares at a price higher than the Offer Price, in particular when they are going to dispose of their entire holdings. The Offer provides an exit alternative for the Independent Shareholders who would like to realise their investments in the Shares.



## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Those Independent Shareholders who decide to retain part or all of their investments in the Shares should carefully monitor the financial performance of the Group and be aware of the potential difficulties they may encounter in disposing of their investments in the Shares at a price higher than the Offer Price after the close of the Offer given the generally low trading volume during the Review Period.

Further terms and conditions of the Offer are set out in the “Letter from Rainbow Capital” of and Appendix I to the Composite Document.

**As different Shareholders would have different investment criteria, objectives or risk appetite and profiles, we recommend any Shareholders who may require advice in relation to any aspect of the Composite Document, or as to the action to be taken, consult a licensed securities dealer, bank manager, solicitor, professional accountant, tax adviser or other professional adviser.**

Yours faithfully,  
For and on behalf of  
**BaoQiao Partners Capital Limited**  
**Monica Lin                      Irene Poon**  
*Managing Director      Executive Director*

*Ms. Monica Lin is a responsible person registered under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities for BaoQiao Partners Capital Limited and has over 20 years of experience in corporate finance industry.*

*Ms. Irene Poon is a responsible person registered under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities for BaoQiao Partners Capital Limited and has over 20 years of experience in the accounting and corporate financial services industry.*

## 1. PROCEDURES FOR ACCEPTANCE OF THE OFFER

To accept the Offer, you should complete and sign the accompanying Form of Acceptance in accordance with the instructions printed thereon, which form part of the terms of the Offer.

- (a) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in your name, and you wish to accept the Offer in respect of your Shares (whether in full or in part), you must send the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof), by post or by hand, to the Registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, marked "**In Technical Productions Holdings Limited — Offer**" on the envelope, as soon as possible and in any event so as to reach the Registrar by no later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and the Offeror and the Company may jointly announce with the consent of the Executive as a result of a revision or an extension of the Offer in accordance with the Takeovers Code, if any.
- (b) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Offer in respect of your holding of Shares (whether in full or in part), you must either:
  - (i) lodge your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares with the nominee company, or other nominee, with instructions authorising it to accept the Offer on your behalf and requesting it to deliver the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares to the Registrar by no later than 4:00 p.m. on the Closing Date; or
  - (ii) arrange for the Shares to be registered in your name by the Company through the Registrar, and deliver the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares to the Registrar by no later than 4:00 p.m. on the Closing Date; or

- (iii) if your Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees Limited to accept the Offer on your behalf on or before the deadline set by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or
  - (iv) if your Shares have been lodged with your investor participant's account maintained with CCASS, give your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set out by HKSCC Nominees Limited.
- (c) If the share certificate(s) and/or transfer receipts and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the Offer in respect of your Shares, the Form of Acceptance should nevertheless be completed, signed and delivered to the Registrar together with a letter stating that you have lost one or more of your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares or that it/they is/are not readily available. If you find such document(s) or if it/they become(s) available, it/they should be forwarded to the Registrar as soon as possible thereafter. If you have lost your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title in respect of your Shares, you should also write to the Registrar a letter of indemnity which, when completed in accordance with the instructions given, should be delivered to the Registrar. The Offeror shall have the absolute discretion to decide whether any Shares in respect of which the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title is/are not readily available and/or is/are lost will be taken up by the Offeror.
- (d) If you have lodged transfer(s) of any of your Shares for registration in your name and have not yet received your share certificate(s), and you wish to accept the Offer in respect of your Shares, you should nevertheless complete and sign the Form of Acceptance and deliver it to the Registrar together with the transfer receipt(s) duly signed by yourself. Such action will be deemed to be an irrevocable authority to the Offeror and/or Rainbow Capital and/or their respective agent(s) to collect from the Company or the Registrar on your behalf the relevant share certificate(s) when issued and to deliver such share certificate(s) to the Registrar on your behalf and to authorise and instruct the Registrar to hold such share certificate(s), subject to the terms and conditions of the Offer, as if it was/they were delivered to the Registrar with the Form of Acceptance.

- (e) Acceptance of the Offer will be treated as valid only if the duly completed Form of Acceptance is received by the Registrar by no later than 4:00 p.m. on the Closing Date (or such later time and/or date as the Offeror may determine and the Offeror and the Company may jointly announce with the consent of the Executive in accordance with the Takeovers Code) and the Registrar has recorded that the Form of Acceptance and any relevant documents as required by Note 1 to Rule 30.2 of the Takeovers Code have been so received, and is:
- (i) accompanied by the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares and, if that/those share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) is/are not in your name, such other documents (e.g. a duly stamped transfer of the relevant Share(s) in blank or in favour of the acceptor executed by the registered holder) in order to establish your right to become the registered holder of the relevant Shares; or
  - (ii) from a registered Independent Shareholder or his/her/its personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Offer Shares which are not taken into account under another sub-paragraph of this paragraph (e)); or
  - (iii) certified by the Registrar or the Stock Exchange.
- (f) If the Form of Acceptance is executed by a person other than the registered Independent Shareholder, appropriate documentary evidence of authority (e.g. grant of probate or certified copy of a power of attorney) to the satisfaction of the Registrar must be produced.
- (g) In Hong Kong, the 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 accepting the Offer and will 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).
- (h) No acknowledgement of receipt of any Form of Acceptance, share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

- (i) The address of the Registrar, Tricor Investor Services Limited, is situated at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.

## **2. SETTLEMENT OF THE OFFER**

- (a) Provided that a valid Form of Acceptance and the relevant certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the relevant Shares are complete and in good order in all respects and have been received by the Registrar no later than 4:00 p.m. on the Closing Date, a cheque for the amount (rounding up to the nearest cent) representing the cash consideration due to each of the Independent Shareholders who accepts the Offer less seller's ad valorem stamp duty in respect of the Offer Shares tendered by him/her/it under the Offer will be despatched to such Independent Shareholder by ordinary post at his/her/its own risk as soon as possible but in any event within seven (7) Business Days following the date of receipt by the Registrar of the duly completed acceptance of the Offer and all relevant documents of title which render such acceptance complete, valid and in compliance with Note 1 to Rule 30.2 of the Takeovers Code.

Settlement of the consideration to which any accepting Independent Shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer (save with respect to the payment of seller's ad valorem stamp duty in respect of the Offer), without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such accepting Independent Shareholder.

- (b) Cheque(s) not presented for payment within six months from the date of issue of the relevant cheques will not be honoured and be of no further effect, and in such circumstances cheque holders should contact the Offeror for payment.
- (c) No fraction of a cent will be payable and the amount of cash consideration payable to an Independent Shareholder who accepts the Offer will be rounded up to the nearest cent.

## **3. ACCEPTANCE PERIOD AND REVISIONS**

- (a) The Offer is made on 14 April 2022, being the date of despatch of this Composite Document, and is capable of acceptance on and from this date until 4:00 p.m. on the Closing Date.
- (b) In order to be valid for the Offer, the Form of Acceptance must be received by the Registrar in accordance with the instructions printed thereon by 4:00 p.m. on the Closing Date, unless the Offer is extended or revised with the consent of the Executive.

- (c) The Offeror reserves the right to revise the terms of the Offer after the despatch of this Composite Document until such day as it may determine and in accordance with the Takeovers Code. If the Offeror revises the terms of the Offer, all Independent Shareholders, whether or not they have already accepted the Offer, will be entitled to accept the revised Offer under the revised terms.
- (d) The Offeror will publish an announcement on the Stock Exchange's website and the Company's website no later than 7:00 p.m. on the Closing Date stating the results of the Offer and whether the Offer has been extended, revised or has expired.
- (e) If the Offer is extended or revised, the Offeror will issue an announcement in relation to such extension or revision of the Offer, which will state the next closing date or the Offer will remain open until further notice. In the latter case, at least fourteen (14) days' notice in writing will be given, before the Offer is closed, to the Independent Shareholders who have not accepted the Offer. The revised Offer will be kept open for at least fourteen (14) days following the date on which the revised Offer document is posted.
- (f) If the Closing Date is extended, any reference in this Composite Document and in the Form of Acceptance to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the closing date of the Offer as so extended.

#### **4. NOMINEE REGISTRATION**

To ensure equality of treatment of all Independent Shareholders, those registered Independent Shareholders who hold Shares as nominee on behalf of more than one beneficial owner should, as far as practicable, treat the holding of such beneficial owner separately. It is essential for the beneficial owners of the Shares whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Offer.

#### **5. ANNOUNCEMENT**

- (a) As required by Rule 19 of the Takeovers Code, by 6:00 p.m. on the Closing Date (or such later time and/or date as the Executive may in exceptional circumstances permit), the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the revision, extension or expiry of the Offer. The Offeror must publish an announcement in accordance with the Takeovers Code on the Stock Exchange's website by 7:00 p.m. on the Closing Date stating, amongst other information required under Rule 19.1 of the Takeovers Code, whether the Offer has been revised, extended, or have expired. The announcement will state the following:
  - i. the total number of Shares and rights over Shares for which acceptances of the Offer have been received;

- ii. the total number of Shares and rights over Shares held, controlled or directed by the Offeror and/or the parties acting in concert with it before the Offer Period;
  - iii. the total number of Shares and rights over Shares acquired or agreed to be acquired during the Offer Period by the Offeror and/or the parties acting in concert with it;
  - iv. details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror and the parties acting in concert with it have borrowed or lent, save for any borrowed shares which have been either on-lent or sold; and
  - v. the percentages of the issued share capital of the Company and the percentages of voting rights of the Company represented by these numbers of Shares.
- (b) In computing the total number of Shares represented by acceptances as of the Closing Date, only valid acceptances that are in all respects complete, in good order and fulfill the acceptance conditions set out in paragraph 1 of this Appendix, and which have been received by the Registrar no later than 4:00 p.m. on the Closing Date, unless the Offer is extended or revised with the consent of the Executive, shall be included.
- (c) As required under the Takeovers Code, all announcements in relation to the Offer must be made in accordance with the requirements of the Takeovers Code and the GEM Listing Rules, where appropriate. Any announcement in relation to the Offer will be published on the websites of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at [www.intechproductions.com](http://www.intechproductions.com).

## **6. RIGHT OF WITHDRAWAL**

- (a) Acceptance of the Offer tendered by Independent Shareholders shall be irrevocable and cannot be withdrawn, except in the circumstances set out in the sub-paragraph (b) below.
- (b) In the circumstances set out in Rule 19.2 of the Takeovers Code (which is to the effect that if the Offeror is unable to comply with any of the requirements of making announcements relating to the Offer as described under the paragraph headed “5. Announcement” above), the Executive may require that the Independent Shareholders who have tendered acceptances of the Offer be granted a right of withdrawal, on terms acceptable to the Executive, until such requirements can be met. In such case, when the Independent Shareholders withdraw their acceptances, the Offeror shall, as soon as possible but in any event within ten (10) days thereof, return by ordinary post the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the Shares lodged with the Form(s) of Acceptance to the relevant Independent Shareholder(s) at their own risks.

**7. STAMP DUTY**

In Hong Kong, the 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 accepting the Offer and will 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).

**8. OVERSEAS SHAREHOLDERS**

The Offeror intends to make the Offer available to all Independent Shareholders, including the Overseas Shareholders. As the Offer to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or affected by the laws and regulations of the relevant jurisdictions, the Overseas Shareholders and beneficial owners of the Shares who are citizens, residents or nationals of a jurisdiction outside Hong Kong should obtain information about and observe any relevant applicable legal or regulatory requirements and, where necessary, seek legal advice in respect of the Offer. It is the responsibility of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer, including the obtaining of any governmental, exchange control or other consents and any registration or filing which may be required or the compliance with other necessary formalities or legal and regulatory requirements and the payment of any transfer or other taxes or other required payments due from such Overseas Shareholders in respect of such jurisdictions.

The Offeror and the parties acting in concert with it, the Company, Rainbow Capital, BaoQiao Partners, Zhongyi Global, the Registrar, the company secretary of the Company, or (as the case may be) any of their respective ultimate beneficial owners, directors, officers, agents, advisers and associates and any other person involved in the Offer shall be entitled to be fully indemnified and held harmless by the Overseas Shareholders for any taxes as such persons may be required to pay.

Acceptance of the Offer by any Overseas Shareholder will be deemed to constitute a representation and warranty from such Overseas Shareholder to the Offeror that the local laws and requirements have been complied with and such person is permitted under all applicable laws and regulations to receive and accept the Offer, and any revision thereof, and such acceptance shall be valid and binding in accordance with all applicable laws and regulations. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above representation and warranty. The Overseas Shareholders should consult their professional advisers if in doubt.



**9. 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 the parties acting in concert with it, the Company, Rainbow Capital, BaoQiao Partners, Zhongyi Global, the Registrar, the company secretary of the Company, or (as the case may be) their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offer accept responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

**10. GENERAL**

- (a) All communications, notices, the Form(s) of Acceptance, share certificate(s), transfer receipt(s), other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to settle the consideration payable under the Offer to be delivered by or sent to or from the Independent Shareholders will be delivered by or sent to or from them, or their designated agents, by ordinary post at their own risk, and none of the Company, the Offeror and the parties acting in concert with it, Rainbow Capital, BaoQiao Partners, Zhongyi Global, the Registrar, the company secretary of the Company, or (as the case may be) and any of their respective directors or other parties involved in the Offer or any of their respective agents accept any liability for any loss in postage, delay in transmission or any other liabilities that may arise as a result thereof.
- (b) The provisions set out in the Form of Acceptance form part of the terms and conditions of the Offer.
- (c) The accidental omission to despatch this Composite Document and/or the Form of Acceptance or any of them to any person to whom the Offer is made will not invalidate the Offer in any way.
- (d) The Offer is, and all acceptances will be, governed by and construed in accordance with the laws of Hong Kong.
- (e) Due execution of the Form of Acceptance will constitute an irrevocable authority to the Offeror, Rainbow Capital and/or such person or persons as the Offeror may direct to complete, amend and execute any document on behalf of the person or persons accepting the Offer and to do any other act that may be necessary or expedient for the purposes of vesting in the Offeror, or such person or persons as they may direct, the Shares in respect of which such person or persons has/have accepted the Offer.
- (f) By accepting the Offer, the Independent Shareholders will sell their Shares to the Offeror that are (a) fully paid; (b) free from all liens, equities, mortgages, charges, encumbrances, rights of pre-emption and any other third party rights of any nature; and

(c) together with all rights, benefits and entitlements attaching to them, including, without limitation, the right to receive and retain in full all dividends and other distributions (as applicable) which may be recommended, declared, made or paid on or after the date on which the Offer is made, being the date of despatch of this Composite Document. As at the Latest Practicable Date, the Company had no intention to make, declare or pay any future dividend/distribution before the close of the Offer. In the event of any declaration of dividend/distribution by the Company, such dividend/distribution will not be used to set off against the Offer Price (or any part thereof) payable to the Shareholders under the Offer.

The Offer is made available to all Independent Shareholders, including those who are residents outside Hong Kong. The availability of the Offer to persons not residing in Hong Kong may be affected by the laws of the relevant overseas jurisdictions. The making of the Offer to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or limited by the laws or regulations of the relevant jurisdictions. Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should inform themselves about and 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 responsibilities, 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 fares due from such shareholders in such jurisdictions.

Any acceptance by the Independent Shareholders and the beneficial owners of the Shares who are citizens, residents or nationals of a jurisdiction outside Hong Kong will be deemed to constitute a representation and warranty from such persons to the Offeror that the local laws and requirements have been complied with. Independent Shareholders should consult their respective professional advisers if in doubt. Independent Shareholders 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.

- (g) Acceptance of the Offer by any nominee will be deemed to constitute a warranty by such nominee to the Offeror that the number of Shares in respect of which as indicated in the Form of Acceptance is the aggregate number of Shares held by such nominee for such beneficial owner who is accepting the Offer.
- (h) Reference to the Offer in this Composite Document and in the Form of Acceptance shall include any extension and/or revision thereof.

- (i) The English text of this Composite Document and the Form of Acceptance shall prevail over their respective Chinese text for the purpose of interpretation in case of inconsistency.
- (j) In making their decisions, the Independent Shareholders must rely on their own examination of the Offeror, the Group and the terms of the Offer, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained herein together with the Form of Acceptance, shall not be construed as any legal or business advice on the part of the Offeror and the parties acting in concert with it, the Company, Rainbow Capital, BaoQiao Partners, Zhongyi Global, the Registrar, the company secretary of the Company, or (as the case may be) any of their respective ultimate beneficial owners, directors, officers, agents or associates or any other persons involved in the Offer. The Independent Shareholders should consult their own professional advisers for professional advice.
- (k) The Offer is made in accordance with the Takeovers Code.

## 1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

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 reports of the Company for the six months ended 30 November 2020 and 2021:

	For the year ended 31 May			For the six months ended 30 November	
	2019	2020	2021	2020	2021
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
	(audited)	(audited)	(audited)	(unaudited)	(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 attributable to					
— owners of the Company	22,485	(24,257)	(35,011)	(18,713)	(9,022)
— non-controlling interests	51	(48)	(67)	26	(71)
Total comprehensive income/(expense) for the year/period attributable to					
— owners of the Company	22,468	(24,311)	(34,905)	(18,713)	(9,022)
— non-controlling interests	48	(52)	(63)	26	(71)
Earnings/(loss) per Share for profit/(loss) attributable to owners of the Company during the year/period					
— Basic and diluted (HK cents)	2.81	(3.03)	(4.38)	(2.34)	(1.13)
Dividend per Share	N/A	N/A	N/A	N/A	N/A

PricewaterhouseCoopers, the auditors of the Company, noted in its independent auditors' reports for each of the years ended 31 May 2020 and 2021 that the consolidated financial statements of the Group indicated the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. The opinion of the auditors in respect of each of the years ended 31 May 2019, 2020 and 2021 is not modified in respect of this matter.

Relevant extracts of the independent auditors' reports for each of the years ended 31 May 2020 and 2021 as set out in the relevant annual reports are reproduced below:

**For the year ended 31 May 2020**

*“We draw attention to Note 2.1.1 to the consolidated financial statements which states that the Group incurred a net loss of HK\$24,305,186 for the year ended 31 May 2020, while its total revenue dropped from HK\$94,272,942 for the year ended 31 May 2019 to HK\$44,714,984 for the year ended 31 May 2020. The note discusses the impact of the outbreak of the Coronavirus Disease 2019 (“COVID-19”) on the Group’s business. The Group’s cash flow projections assume that there will be a significant reduction of the Group’s business, with gradual resumption of business from November 2020. While the cash flow projections assume a gradual resumption of business from November 2020, this is uncertain and is dependent on the subsequent development of the COVID-19 situation and the corresponding government measures in the regions where the Group operates. These conditions, along with the other matters explained in Note 2.1.1 to the consolidated financial statements, indicate the existence of a material uncertainty that may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.”*

**For the year ended 31 May 2021**

*“We draw attention to Note 2.1.1 to the consolidated financial statements which states that the Group incurred a net loss of HK\$35,078,402 and net cash used in operating activities of HK\$7,973,659 for the year ended 31 May 2021. As at 31 May 2021, the Group had net current liabilities of HK\$12,087,104 and maintained cash and cash equivalents of HK\$1,166,683. During the year ended 31 May 2021, the Group’s operations were adversely affected by the Coronavirus Disease 2019 (“COVID-19”) pandemic, the COVID-19 restrictions and control measures. These conditions, along with the other matters explained in Note 2.1.1 to the consolidated financial statements, indicate the existence of a material uncertainty that may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.”*

The relevant parts of Note 2.1.1 to the consolidated financial statements of the Group for the year ended 31 May 2021 as referred to in the auditor's note above are also extracted below for information purpose:

*“The Group incurred a net loss of HK\$35,078,402 and net cash used in operating activities of HK\$7,973,659 for the year ended 31 May 2021. As at 31 May 2021, the Group had net current liabilities of HK\$12,087,104 and maintained cash and cash equivalents of HK\$1,166,683.*

*Since early 2020, the Group's business operations have been adversely affected by the outbreak of Coronavirus Disease (“COVID-19”), after a hit of months of social unrest and protests in Hong Kong. The outbreak of COVID-19 has resulted in significant decrease in commercial activities under the lockdown and a series of precautionary and control measures imposed in various cities where the Group operates, such as ban on social gathering of more than a limited headcount, execution of pandemic prevention requirements and restrictions and controls over inbound and outbound travelling. These have led to postponement and cancellation of pop concerts and live events during the year. In addition, subsequent to 31 May 2021, the number of infected cases caused by the COVID-19 variants such as Alpha and Delta have been increasing all over the world because they are highly contagious. The governments of the regions where the Group operates may tighten the control measures again which can seriously affect the Group's business. If the situation continues and the control measures are prolonged, the Group's business and cash flows will be adversely affected.*

*The above conditions indicate the existence of material uncertainties which may cast a significant doubt about the ability of the Group to continue as a going concern.*

*In view of these circumstances, the directors of the Company have given careful consideration to the Group's financial position and performance, the liquidity requirements and its available sources of financing to assess whether the Group will have sufficient resources to fulfill its financial obligations. The Group has taken plans and implemented measures to alleviate the liquidity pressure which include, but not limited to, the following:*

- (i) With the launch of the vaccination programmes and the substantial decrease in the number of COVID-19 infected cases in 2021 compared to those in 2020 due to the good results of the control measures imposed by the respective governments of the PRC, Hong Kong and Macau where the Group primarily operates, there were signs that the COVID-19 situation has been easing in the regions. The economic activities resumed gradually and pop concerts and live events are permitted to be held since June 2021. The directors of the Company have been closely monitoring the development of the latest situation and have continuous discussion with the customers about their plans to resume the pop concerts and live events. The directors of the Company anticipate that the Group's business will resume gradually from July 2021 provide that COVID-19 situation is under control and distancing measure is easing.*

- (ii) *As at 31 May 2021, the Group had outstanding gross trade receivables of HK\$13,156,541, among which HK\$8,553,002 aged over 365 days. The Group has implemented measures to accelerate the collection by issuing reminders and letters of demand to its debtors, negotiating with the debtors on their respective repayment schedules and, where possible, entering into repayment agreements with them. The Group successfully collected settlement of trade receivables of HK\$2,336,643 subsequent to 31 May 2021.*
- (iii) *In July 2021, the Group obtained a new banking facility of HK\$3,000,000 from a commercial bank in Hong Kong which was secured by corporate guarantee of the Company, the pledge of a property and the personal guarantee of a director of the Company.*
- (iv) *When necessary, the Group will continue to adopt a series of measures to control the cash outflow by encouraging employees to take no-pay leave, negotiating with suppliers and creditors to extend the payment due dates, controlling capital expenditures, obtaining rent concessions from the landlords and tightening expenditures.*

*The directors of the Company have reviewed the Group's cash flow projections which cover a period of not less than twelve months from 31 May 2021. The directors are of the opinion that, having taken into account the anticipated operating cash flows of the Group as well as the possible changes in its operating performance and the availability of existing and new bank facilities, the Group will have sufficient financial resources to meet its liabilities as and when they fall due in the coming twelve months from 31 May 2021. Accordingly, the directors consider that the Group will be able to continue as a going concern and thus have prepared the consolidated financial statements on a going concern basis.*

*Notwithstanding the above, material uncertainty exists as to whether the Group is able to achieve its plans and measures as described above, which incorporate assumptions about future events and conditions that are subject to inherent uncertainties. Whether the Group will be able to continue as a going concern depends upon the Group's ability to generate adequate operating cash inflows through:*

- (i) *gradual resumption of business with further easing of controls measures related to COVID-19 and as anticipated by management to generate sufficient operating cash inflows;*
- (ii) *successful collection of overdue trade receivables in the expected timeframe;*
- (iii) *successful in draw down of the banking facilities as and when needed; and*
- (iv) *successful implementation of various cost saving measures and control of capital expenditures when necessary.*

*Should the Group be unable to achieve the above plans and measures such that it would not be operate as a going concern, adjustments would have to be made to reduce the carrying values of the Group's assets to their recoverable amounts, to provide for financial liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in the consolidated financial statements."*

Save as disclosed above, no modified opinion, emphasis of matter or material uncertainty related to going concern was contained in the auditor's reports of the Company issued by PricewaterhouseCoopers for each of the years ended 31 May 2019, 2020 and 2021. For each of the three years ended 31 May 2019, 2020 and 2021, no dividend was declared or paid.

Save as disclosed above, the Group had no other material income or expense for the years ended 31 May 2019, 2020 and 2021.

## **2. CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP**

The Company is required to set out or refer to in the Composite Document the consolidated statement of financial position, consolidated statement of cash flows and any other primary statement as shown in the last published audited accounts, together with the notes to the relevant published financial statements which are of major relevance to the appreciation of the above financial information.

The audited consolidated financial statements of the Group, together with the accompanying notes to the consolidated financial statements, for each of the three years ended 31 May 2019, 2020 and 2021 are disclosed in the annual reports of the Company for the each of the three years ended 31 May 2019, 2020 and 2021, respectively. The unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 November 2020 and 2021, together with the accompanying notes to the condensed consolidated financial statements, are disclosed in the Company's interim reports for the six months ended 30 November 2020 and 2021. The said annual reports, and interim reports are published on the websites of the Stock Exchange (<http://www.hkexnews.hk/>) and the Company (<http://www.intechproductions.com>).

Annual report for the year ended 31 May 2019 (pages 84 to 167):

<https://www1.hkexnews.hk/listedco/listconews/gem/2019/0813/gln20190813221.pdf>

Annual report for the year ended 31 May 2020 (pages 86 to 171):

<https://www1.hkexnews.hk/listedco/listconews/gem/2020/0831/2020083100445.pdf>

Annual report for the year ended 31 May 2021 (pages 90 to 175):

<https://www1.hkexnews.hk/listedco/listconews/gem/2021/0831/2021083100891.pdf>



Interim report for the six months ended 30 November 2020 (pages 5 to 27):

<https://www1.hkexnews.hk/listedco/listconews/gem/2021/0112/2021011200515.pdf>

Interim report for the six months ended 30 November 2021 (pages 5 to 27):

<https://www1.hkexnews.hk/listedco/listconews/gem/2022/0114/2022011400601.pdf>

The audited consolidated financial statements of the Group for each of the three years ended 31 May 2019, 2020 and 2021 and the unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 November 2020 and 2021 (but not any other part of the annual reports of the Company for the years ended 31 May 2019, 2020 and 2021, and the interim reports of the Company for the six months ended 30 November 2020 and 2021 in which they respectively appear) are incorporated by reference into this Composite Document and form part of this Composite Document.

### 3. INDEBTEDNESS

As at the close of business on 31 January 2022, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this Composite Document, the Group had outstanding indebtedness comprising bank borrowings of approximately HK\$11.0 million, lease liabilities of approximately HK\$4.9 million, and bank overdraft of approximately HK\$1.0 million.

The outstanding bank borrowings were secured by the guarantees under the SME Financing Guarantee Scheme by HKMC Insurance Limited, the corporate guarantee of the Company and the personal guarantee of a Director. The outstanding bank overdraft was secured by the personal property of a Director. The lease liabilities were unsecured and unguaranteed.

As at 31 January 2022, the Group had no material commitments and contingent liabilities.

Save as aforesaid or otherwise disclosed herein, and apart from the intra-group liabilities, the Directors confirm that, the Group did not, as at the close of business on 31 January 2022, have any loan capital issued and outstanding or agreed to be issued, loans or other similar indebtedness, liabilities under acceptance (other than normal trade bills) or acceptance credits, term loans, other borrowings, bank overdraft, debentures, mortgages, charges, finance lease or hire purchase commitments, guarantees or other material contingent liabilities.

### 4. MATERIAL CHANGE

The Directors confirm that, save for the increase in turnover and reduction in loss for the six months ended 30 November 2021 as compared to same period in the previous year as disclosed in the interim report of the Company for the six months ended 30 November 2021 (the “**Interim Report**”) following the relaxation of anti-pandemic measures by the Hong Kong Government during the above period, there had been no material change in the financial or trading position or outlook of the Group since 31 May 2021, being the date to which the latest published audited

consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date. Nevertheless, the operating environment of the Group remains challenging as reflected in both the annual report of the Company for the year ended 31 May 2021 and the Interim Report given that the COVID-19 pandemic, including the recent Omicron wave of COVID-19 since December 2021, has not yet come to an end.

## 1. RESPONSIBILITY STATEMENT

The information contained in this Composite Document relating to the Offeror and its intentions have been supplied by the Offeror.

The sole director of the Offeror accepts full responsibility for the accuracy of information contained in this Composite Document (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 Composite Document (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 Composite Document, the omission of which would make any statement in this Composite Document misleading.

## 2. DISCLOSURE OF INTERESTS OF THE OFFEROR

As at the Latest Practicable Date, the Offeror and the parties acting in concert with it held 440,000,000 Shares, representing 55% of the total issued share capital of the Company. Mr. Ma is the sole ultimate beneficial shareholder and the sole director of the Offeror. Save for the above, as at the Latest Practicable Date, none of the Offeror, Mr. Ma and the parties acting in concert with it owned, controlled or had any interest in any relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company.

## 3. ADDITIONAL DISCLOSURE OF INTERESTS AND DEALINGS

The Offeror confirms that, as at the Latest Practicable Date:

- (i) save for the Sale Shares acquired upon Completion, the Offeror and/or parties acting in concert with it did not own or have control or direction over or have any interest in 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 or reject the Offer;
- (iii) there is no agreement or arrangement in relation to outstanding derivative in respect of securities in the Company which has been entered into by the Offeror and/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 owner 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;
- (x) save for the Sale Shares acquired upon Completion, none of the Offeror, its sole director 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 Relevant Period;
- (xi) save for the 80,000,000 Shares disposed of by the Vendor to Zhongsheng at the consideration of HK\$12,000,000 (equivalent to HK\$0.15 per Share) on 18 February 2022 and the Sale Shares disposed of upon Completion, the Vendor had not dealt for value in any Shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities during the Relevant Period;
- (xii) save for the 80,000,000 Shares acquired by Zhongsheng from the Vendor at the consideration of HK\$12,000,000 (equivalent to HK\$0.15 per Share) on 18 February 2022, Zhongsheng had not dealt for value in any Shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities during the Relevant Period;
- (xiii) there is no relationship between the Vendor and Zhongsheng;
- (xiv) no benefits had been or will be given to any Directors as compensation for loss of office or otherwise in connection with the Offer; and

- (xv) there was no agreement, arrangement or understanding (including any compensation arrangement) between the Offeror or any person acting in concert with it on one hand and any Directors, recent Directors, Shareholders or recent Shareholders on the other hand, having any connection with or was dependent upon the Offer.

#### 4. EXPERTS AND CONSENTS

The following is the name and qualification of the expert whose letter, opinions or advices are contained or referred to in this Composite Document:

<b>Name</b>	<b>Qualification</b>
Rainbow Capital	a corporation licensed to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

The above expert has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion of the text of its letter, opinions, advices and/or references to its name in the form and context in which they are respectively included.

#### 5. GENERAL

- (i) The Offeror is beneficially and wholly owned by Mr. Ma, who is the sole director of the Offeror.
- (ii) The registered office of the Offeror is situated at Quality Corporate Services Ltd., Suite 102, Cannon Place, P. O. Box 712, North Sound Rd., George Town, Grand Cayman, KY1-9006 Cayman Islands.
- (iii) The correspondence address of the Offeror and Mr. Ma is Room 1707, 17/F, Yip Fung Building, No. 7 Sheung Hei Street, San Po Kong, Kowloon, Hong Kong.
- (iv) The principal business address of Rainbow Capital is Room 5B, 12/F, Tung Ning Building, No. 2 Hillier Street, Sheung Wan, Hong Kong.
- (v) The English text of this Composite Document and the Form of Acceptance shall prevail over the Chinese text in the case of inconsistency.

**6. DOCUMENTS ON DISPLAY**

Copies of the following documents are available for inspection (i) on the website of the SFC ([www.sfc.hk](http://www.sfc.hk)); (ii) on the website of the Company ([www.intechproductions.com](http://www.intechproductions.com)) from the date of this Composite Document up to and including the Closing Date:

- (i) the memorandum and articles of association of the Offeror;
- (ii) the letter from Rainbow Capital, the text of which is set out in the section headed “Letter from Rainbow Capital” in this Composite Document;
- (iii) the written consent of the expert as referred to under the paragraph headed “4. Experts and Consents” in this appendix;
- (iv) the Facility Agreement;
- (v) the Vendor’s Irrevocable Undertaking; and
- (vi) the Zhongsheng Irrevocable Undertaking.

## 1. RESPONSIBILITY STATEMENT

The Directors jointly and severally accept full responsibility for the accuracy of the information relating to the Group contained in this Composite Document (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 Composite Document (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 Composite Document, the omission of which would make any statement in this Composite Document misleading.

## 2. SHARE CAPITAL OF THE COMPANY

As at the Latest Practicable Date, the authorised and issued share capital of the Company were as follows:

	<i>HK\$</i>
<b>Authorised Share Capital:</b>	
3,000,000,000 Shares	30,000,000
<b>Issued and Fully Paid-up Share Capital:</b>	
800,000,000 Shares	8,000,000

All of the Shares currently in issue are fully paid up and rank *pari passu* in all respects with each other, including all rights in respect of return of capital, dividends and voting.

No Shares have been issued by the Company since 31 May 2021 (being the date up to which its latest published audited accounts were prepared) and up to and including the Latest Practicable Date.

The issued Shares are listed on GEM. No part of the Shares is listed or dealt in, nor is any listing of or permission to deal in the Shares being or proposed to be sought on, any other stock exchange.

As at the Latest Practicable Date, the Company did 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.

### 3. MARKET PRICES

The table below shows the closing prices of the Shares quoted on the Stock Exchange on (i) the last day on which trading took place in each of the calendar months during the Relevant Period; (ii) the Last Trading Day; and (iii) the Latest Practicable Date:

<b>Date</b>	<b>Closing price per Share (HK\$)</b>
30 September 2021	0.190
29 October 2021	0.250
30 November 2021	0.255
31 December 2021	0.320
31 January 2022	1.070
25 February 2022	1.330
7 March 2022 (being the Last Trading Day)	2.080
31 March 2022	1.940
11 April 2022 (being the Latest Practicable Date)	1.840

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the Relevant Period were HK\$2.1 per Share on 4 March 2022 and HK\$0.11 per Share on 17, 20 and 21 September 2021, respectively.



#### 4. DISCLOSURE OF INTERESTS

##### (a) Interests and short positions of the Directors and chief executives in the Company

As at the Latest Practicable Date, save as disclosed below, none of the Directors had any interests or short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which are required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO); or (ii) to be entered in the register required to be kept pursuant to section 352 of the SFO; or (iii) to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by directors; or (iv) to be disclosed in this Composite Document pursuant to the Takeovers Code:

Name of Director	Capacity/ Nature of interest	Number of Shares held (Note 1)	Percentage of shareholding
Mr. Yeung Ho Ting Dennis	Interest in controlled corporation (Note 2)	80,000,000 (L)	10%

*Notes:*

1. The letter "L" denotes the person's long position in the Shares.
2. The Vendor was beneficially owned by Mr. Yeung as to 75%. By virtue of the SFO, Mr. Yeung Ho Ting Dennis was deemed to be interested in the Shares held by the Vendor.

**(b) Disclosure of interests of substantial Shareholders**

As at the Latest Practicable Date, so far as is known to the Directors, the following persons (not being a Director or chief executive of the Company) had an interest or a short position in the Shares or the underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept under section 336 of the SFO or as otherwise notified to the Company and the Stock Exchange:

Name	Capacity/ Nature of interest	Number of Shares held/ interested	Percentage of shareholding
The Offeror ( <i>Note 1</i> )	Beneficial owner	440,000,000	55%
Mr. Ma ( <i>Note 1</i> )	Interest in controlled corporation	440,000,000	55%
The Vendor	Beneficial owner	80,000,000	10%
Zhongsheng ( <i>Note 2</i> )	Beneficial owner	80,000,000	10%
Ms. Mo Suyun ( <i>Note 2</i> )	Interest in controlled corporation	80,000,000	10%

*Notes:*

1. The Offeror is wholly-owned by Mr. Ma. Mr. Ma is therefore deemed to be interested in all Shares held by the Offeror under the SFO.
2. Zhongsheng is wholly-owned by Ms. Mo Suyun. Ms. Mo Suyun is therefore deemed to be interested in all Shares held by Zhongsheng under the SFO.

Save as disclosed herein, so far as is known to the Directors, as at the Latest Practicable Date, no person had an interest or a short position in the Shares or the underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept under section 336 of the SFO or as otherwise notified to the Company and the Stock Exchange.

**5. SHAREHOLDING AND DEALINGS IN THE COMPANY'S SECURITIES**

- (a) As at the Latest Practicable Date, save as disclosed in the section headed "Disclosure of Interests" in this Appendix IV, none of the Directors was interested (within the meaning of Part XV of the SFO) in any Shares, convertible securities, warrants, options or derivatives in respect of the Shares.
- (b) Pursuant to the Vendor's Irrevocable Undertaking, the Vendor will not accept the Offer in respect of the Remaining Shares.

- (c) During the Relevant Period, save for the Sale Shares, none of the Directors had dealt for value in any Shares, convertible securities, warrants, options or derivatives in respect of the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.
- (d) During the Offer Period and up to the Latest Practicable Date, none of the subsidiaries of the Company, the pension fund of the Group, a person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of “acting in concert” under the Takeovers Code or who is an associate of the Company by virtue of class (2) of the definition of “associate” under the Takeovers Code (but excluding exempt principal traders and exempt fund managers) had owned, controlled or dealt for value in any Shares or any other convertible securities, warrants, options or derivatives in respect of the Shares.
- (e) During the Offer Period and up to the Latest Practicable Date, save for the Sale and Purchase Agreement, there was no person who had an arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of “acting in concert” under the Takeovers Code or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of “associate” under the Takeovers Code, and save as disclosed in the section headed “Disclosure of Interests” in this Appendix IV, no such person had owned, controlled or dealt for value in any Shares or any other convertible securities, warrants, options or derivatives in respect of the Shares.
- (f) During the Offer Period and up to the Latest Practicable Date, no Shares or any other convertible securities, warrants, options or derivatives in respect of the Shares were managed on a discretionary basis by fund managers (other than exempt fund managers) connected with the Company and no such person had dealt for value in any Shares or any other convertible securities, warrants, options or derivatives in respect of the Shares.
- (g) Save for the Remaining Shares, the Directors did not have any beneficial shareholdings in the Company which would entitle them to accept or reject the Offer.
- (h) As at the Latest Practicable Date, neither the Company nor any Directors had borrowed or lent any Shares or any other convertible securities, warrants, options or derivatives in respect of the Shares.
- (i) As at the Latest Practicable Date, save as disclosed in the paragraph headed “Irrevocable Undertakings not to accept the Offer” in the “Letter from Rainbow Capital” and the “Letter from the Board” contained in this Composite Document, no person had irrevocably committed himself/herself/itself to accept or reject the Offer.

- (j) As at the Latest Practicable Date, there was no understanding, arrangement or agreement which would constitute a special deal (as defined in Rule 25 of the Takeovers Code) between (1) any Shareholder; and (2) the Company, its subsidiaries or associated companies.

## **6. SHAREHOLDING AND DEALINGS IN THE OFFEROR'S SECURITIES**

During the Relevant Period and as at the Latest Practicable Date, none of the Company or any of the Directors was interested in any shares of the Offeror or any convertible securities, warrants, options or derivatives in respect of the shares of the Offeror, and none of the Company or any of the Directors had dealt for value in any shares of the Offeror or any convertible securities, warrants, options or derivatives in respect of the shares of the Offeror.

## **7. ARRANGEMENTS AFFECTING AND RELATING TO DIRECTORS**

- (a) As at the Latest Practicable Date, no benefit (other than statutory compensation required under applicable laws) had been or would be given to any Director as compensation for loss of office or otherwise in connection with the Offer.
- (b) As at the Latest Practicable Date, there was no agreement or arrangement between any Director and any other person which is conditional on or dependent upon the outcome of the Offer or otherwise connected with the Offer.
- (c) As at the Latest Practicable Date, save for the Sale and Purchase Agreement in which Mr. Yeung Ho Ting Dennis was interested, there was no material contract entered into by the Offeror in which any Director had a material personal interest.

## **8. MATERIAL LITIGATION**

As at the Latest Practicable Date, the Company was not engaged in any litigation of material importance and no litigation of material importance was, so far as the Directors were aware, pending or threatened against the Company.

## **9. MATERIAL CONTRACTS**

None of the members of the Group entered into any contract, not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Company or any of its subsidiaries, within two years preceding the date of the commencement of the Offer Period and up to and including the Latest Practicable Date and which are material.

**10. DIRECTORS' SERVICE CONTRACTS**

Save as disclosed below, as at the Latest Practicable Date, there was no service contract with the Company or any of its subsidiaries or associated companies in force for the Directors (i) which (including both continuous and fixed term contracts) was entered into or amended within 6 months before the date of the commencement of the Offer Period; (ii) which is a continuous contract with a notice period of 12 months or more; or (iii) which is a fixed term contract with more than 12 months to run irrespective of the notice period:

- (a) Mr. Yeung Ho Ting Dennis as an executive Director, entered into a supplemental agreement dated 7 August 2020 with the Company to the service agreement dated 29 May 2017 for a term of three years commencing from 14 June 2020, subject to early termination by not less than one month's notice served by either party on the other. The remuneration of Mr. Yeung Ho Ting Dennis under such supplemental agreement is HK\$102,020 per month;
- (b) Mr. Tam Chun Yu as an executive Director, entered into a supplemental agreement dated 7 August 2020 with the Company to the service agreement dated 29 May 2017 for a term of three years commencing from 14 June 2020, subject to early termination by not less than one month's notice served by either party on the other. The remuneration of Mr. Tam Chun Yu under such supplemental agreement is HK\$49,500 per month;
- (c) Mr. Li Kai Sing as an independent non-executive Director, entered into a supplemental letter of appointment dated 7 August 2020 with the Company to the appointment letter dated 29 May 2017 for a term of three years commencing from 14 June 2020, subject to early termination by not less than one month's notice served by either party on the other. The remuneration of Mr. Li Kai Sing under such supplemental letter of appointment is HK\$15,000 per month;
- (d) Mr. Ma Tsz Chun as an independent non-executive Director, entered into a supplemental letter of appointment dated 7 August 2020 with the Company to the appointment letter dated 29 May 2017 for a term of three years commencing from 14 June 2020, subject to early termination by not less than one month's notice served by either party on the other. The remuneration of Mr. Ma Tsz Chun under such supplemental letter of appointment is HK\$15,000 per month; and
- (e) Ms. Loh Lai Ping Phillis as an independent non-executive Director, entered into a supplemental letter of appointment dated 7 August 2020 with the Company to the appointment letter dated 29 May 2017 for a term of three years commencing from 14 June 2020, subject to early termination by not less than one month's notice served by either party on the other. The remuneration of Ms. Loh Lai Ping Phillis under such supplemental letter of appointment is HK\$15,000 per month.

## 11. EXPERTS AND CONSENTS

The following are the name and qualifications of the expert engaged by the Company who has given opinion and recommendation which are contained in this Composite Document:

Name	Qualifications
BaoQiao Partners	a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

The above expert has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion of its opinion or recommendation and/or all references to its name in the form and context in which they are included.

## 12. MISCELLANEOUS

- (a) The registered office of the Company is at Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman, KY1-1108, Cayman Islands and the principal place of business in Hong Kong is at Unit D2, 5/F, Hoi Bun Industrial Building, 6 Wing Yip Street, Kwun Tong, Kowloon, Hong Kong.
- (b) The Hong Kong branch share registrar and transfer office of the Company is Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (c) The registered office of BaoQiao Partners Capital Limited, the Independent Financial Adviser, is at Unit 2803-05, 28/F, Tower I, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong.
- (d) The English text of this Composite Document shall prevail over their respective Chinese text in case of inconsistency.

## 13. DOCUMENTS ON DISPLAY

Copies of the following documents are available for inspection (i) on the website of the SFC ([www.sfc.hk](http://www.sfc.hk)); and (ii) on the website of the Company (<http://www.intechproductions.com>) from the date of this Composite Document for as long as the Offer remains open for acceptance:

- (a) the amended and restated memorandum and articles of association of the Company;
- (b) the annual reports of the Company for each of the years ended 31 May 2020 and 2021;
- (c) the interim reports of the Company for the six months ended 30 November 2020 and 2021;

- (d) this Composite Document and the accompanying Form of Acceptance;
- (e) the letter from the Board, the text of which is set out on pages 17 to 22 of this Composite Document;
- (f) the letter from the Independent Board Committee to the Independent Shareholders, the text of which is set out on pages 23 to 24 of this Composite Document;
- (g) the letter of advice from the Independent Financial Adviser to the Independent Board Committee, the text of which is set out on pages 25 to 43 of this Composite Document;
- (h) the written consent referred to in the section headed “Experts and Consents” in this Appendix IV; and
- (i) the service contracts and letters of appointment referred to in the section headed “Directors’ Service Contracts” in this Appendix IV.