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江蘇宏圖高科技股份有限公司
(JIANGSU HONGTU HIGH TECHNOLOGY CO., LTD*)

*(A joint stock company incorporated
in the People's Republic of China with limited liability)*

JIANGSU HONGTU HIGH TECHNOLOGY
(HONG KONG) CO. LIMITED

(江蘇宏圖高科技(香港)股份有限公司)

(A company incorporated in Hong Kong with limited liability)

HONGTU HIGH TECHNOLOGY
INTERNATIONAL INC.

*(An international business company
incorporated in the Republic of Seychelles)*



IDT INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 167)

JOINT ANNOUNCEMENT

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AND

FOR CANCELLATION OF ALL OUTSTANDING OPTIONS OF THE COMPANY

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Financial adviser to the Offeror



華泰金控

HUATAI FINANCIAL
Wholly owned Subsidiary of Huatai Securities Company Ltd

HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED

UNUSUAL PRICE MOVEMENTS

The Board has noted the recent movements in the price of the Shares. Having made such enquiry with respect to the Company as is reasonable in the circumstances, save for the Acquisition and the Offers as respectively disclosed under the sections headed “SALE AND PURCHASE AGREEMENT” and “POSSIBLE UNCONDITIONAL MANDATORY CASH OFFERS” in this joint announcement, the Board confirms that it is not aware of any reasons for such price movements or of any information which must be announced to avoid a false market in the Shares or of any inside information that needs to be disclosed under Part XIVA of the SFO.

SALE AND PURCHASE AGREEMENT

The Company was notified by the Sellers that after close of trading hours in Hong Kong on February 18, 2015, Jiangsu Hongtu as purchaser and the Sellers entered into the Sale and Purchase Agreement, pursuant to which the Sellers conditionally agreed to sell or procure the sale of, and Jiangsu Hongtu conditionally agreed to purchase or procure its Nominee to purchase, the Sale Shares for a cash consideration in an aggregate sum of HK\$249,756,559 (equivalent to HK\$0.2181 per Sale Share (rounded to 4 decimal places, being the Offer Price)). The Sale Shares represent approximately 45.00% of the entire issued share capital of the Company as at the date of this joint announcement.

In addition, under the Sale and Purchase Agreement, the Sellers jointly and severally granted to Jiangsu Hongtu the right (but not the obligation) at Jiangsu Hongtu’s sole discretion and subject to Closing having taken place, to require, during the Call Option Period, the Sellers to sell, whereupon the Sellers shall tender for acceptance, or procure the tender for acceptance under the Share Offer of, all or any part of the Retained Shares at the Offer Price. None of the rights and obligations under the Call Option may be assigned or transferred by Jiangsu Hongtu without the prior written consent of the Sellers. If Jiangsu Hongtu exercises the Call Option, any of the Retained Shares to be acquired shall be acquired as part of the Share Offer and at the Offer Price.

Subject to Closing having occurred, at any time during the Call Option Period and in any event no later than 9:00 a.m. on the Call Option Settlement Date, Jiangsu Hongtu may exercise the Call Option. Under the Call Option, Jiangsu Hongtu and/or its Nominee may purchase such number of Retained Shares as will enable Jiangsu Hongtu and/or its Nominee together to hold not less than but also not more than 50.50% of the total issued share capital of the Company (as enlarged by such number of Shares to be issued pursuant to the exercise of any of the Relevant Options) at 6:00 p.m. on the Call Option Record Date.

Upon the exercise of the Call Option, the Sellers shall be bound to tender such number of Retained Shares as determined on the Call Option Record Date based on the issued share capital of the Company (as enlarged by such number of Shares to be issued pursuant to the exercise of any of the Relevant Options) on such day for acceptance by no later than 1:00 p.m. on the Call Option Settlement Date and the Offeror shall be bound to acquire such Retained Shares, if any, in each case, as part of and in accordance with the terms of the Share Offer. The Sellers shall be paid in respect of such Retained Shares, if any, as to be accepted by the Offeror under the Share Offer in accordance with the Takeovers Code.

Jiangsu Hongtu intends to exercise the Call Option at Closing, or as soon as practicable thereafter, and in any event before the despatch of the Composite Document. For the avoidance of doubt, the actual number of Retained Shares to be tendered by the Sellers pursuant to the exercise of the Call Option shall be determined at 6:00 p.m. on the Call Option Record Date.

Closing of the Sale and Purchase Agreement is conditional upon the fulfillment (or, with respect to certain Closing Conditions, waiver) of the Closing Conditions as described in the paragraph headed "Closing Conditions" under the section headed "SALE AND PURCHASE AGREEMENT" in this joint announcement.

POSSIBLE UNCONDITIONAL MANDATORY CASH OFFERS

As at the date of this joint announcement, the Sellers beneficially own an aggregate of 1,430,717,675 Shares, representing approximately 56.22% of the issued share capital of the Company as at the date of this joint announcement, while the Offeror and parties acting in concert with it (other than the Sellers) are not interested in any Shares, convertible securities, options, warrants or derivatives in the Company, other than the interest in the Sale Shares under the Sale and Purchase Agreement, including the Call Option.

Immediately upon Closing, the Sellers will beneficially own an aggregate of 285,570,685 Shares, representing approximately 11.22% of the issued share capital of the Company as at the date of this joint announcement.

By virtue of the existence and the terms of the Call Option only, the Sellers are considered as persons acting in concert with the Offeror.

Immediately following Closing, the Offeror will own 1,145,146,990 Shares, representing approximately 45.00% of the entire issued share capital of the Company as at the date of this joint announcement and together with the parties acting in concert with it (including the Sellers) will own an aggregate of 1,430,717,675 Shares, representing approximately 56.22% of the entire issued share capital of the Company as at the date of this joint announcement. Accordingly, upon Closing, the Offeror will be required to make (i) an unconditional mandatory cash offer for all the issued Shares (including the Retained Shares), other than those Shares already owned by or agreed to be acquired by the Offeror or parties acting in concert with it (other than the Sellers) pursuant to Rule 26.1 of the Takeovers Code, and (ii) an appropriate offer to the Optionholders for the cancellation of the outstanding Options (other than the Sellers' Exercisable Options and the Sellers' Non-Exercisable Options) pursuant to Rule 13 of the Takeovers Code.

Subject to Closing having taken place, Huatai will, for and on behalf of the Offeror, make the Offers (comprising the Share Offer and the Option Offer) on the terms to be set out in the Composite Document in accordance with the Takeovers Code on the following basis:

The Share Offer

For each Offer Share HK\$0.2181

The Option Offer

For each Option with exercise price
lower than the Offer PriceHK\$0.2181 less the exercise price
in respect of the relevant Option

For each Option with exercise price above the Offer Price HK\$0.0001

The Offer Price of HK\$0.2181 for each Offer Share under the Share Offer is the same as the purchase price per Sale Share of HK\$0.2181 pursuant to the Sale and Purchase Agreement.

As at the date of this joint announcement, the Company has 68,750,000 Options conferring rights on the Optionholders to subscribe for Shares. Excluding the Sellers' Exercisable Options and the Sellers' Non-Exercisable Options, the Company has 53,550,000 Options outstanding. Out of the 53,550,000 outstanding Options, there are 29,000,000 Options with exercise prices which are lower than the Offer Price. On this basis, the Option Offer will be calculated on a "see-through" basis, pursuant to which each Optionholder will be entitled to receive a sum for each Option equivalent to the amount calculated by deducting the relevant exercise price per Share payable on exercise of the relevant Option from the Offer Price. For the remaining outstanding Options, there are 24,550,000 Options with exercise prices which are above the Offer Price. As the exercise prices of these 24,550,000 Options are out-of-the-money, the Option Offer for each of these Options is made at a nominal price of HK\$0.0001. The Option Offer will be extended to all eligible Optionholders in accordance with the Takeovers Code, other than to the Sellers in respect of the Sellers' Exercisable Options and the Sellers' Non-Exercisable Options. Details of the Option Offer are set out under the paragraph headed "The Option Offer" under the section headed "POSSIBLE UNCONDITIONAL MANDATORY CASH OFFERS" in this joint announcement.

As at the date of this joint announcement, there are 2,544,771,088 Shares in issue and 56,750,000 2002 Options and 12,000,000 2012 Options outstanding, and save for the aforesaid Options, the Company does not have any other outstanding warrants or derivatives or convertible rights affecting the Shares.

Assuming that (a) there is no change in the issued share capital of the Company, (b) none of the outstanding Options is exercised prior to the close of the Offers (other than the Sellers' Exercisable Options which will be exercised before they lapse during the Offer Period), and (c) the Sellers' Non-Exercisable Options will not be tendered for acceptance under the Option Offer, the Offers are valued at approximately HK\$308,039,621 in aggregate.

Assuming that (a) all Options are exercised before they lapse prior to the close of the Offers (other than the Sellers' Non-Exercisable Options), and (b) all Shares issued on the exercise of the Options will be tendered for acceptance under the Share Offer (other than the Shares issued on the exercise of the Sellers' Exercisable Options), the Offers are valued at approximately HK\$316,937,271 in aggregate.

Principal terms of the possible Offers are set out under the section headed "POSSIBLE UNCONDITIONAL MANDATORY CASH OFFERS" in this joint announcement.

The Offeror will finance the Offers by the Loan and the Facility. Huatai has been appointed as the financial adviser to the Offeror in respect of the Offers. Huatai is satisfied that sufficient resources are available to the Offeror to satisfy the consideration for the Sale Shares under the Sale and Purchase Agreement and the full acceptance of the Offers.

The Offeror intends to maintain the listing of the Shares on the Stock Exchange following the close of the Offers.

WARNING: The Offers are a possibility only. Closing is conditional upon the fulfilment (or, with respect to certain Closing Conditions, waiver) of the Closing Conditions set out under the paragraph headed "Closing Conditions" under the section headed "SALE AND PURCHASE AGREEMENT" in this joint announcement. Accordingly, Closing may or may not take place and the Offers may or may not be made. Shareholders, Optionholders and potential investors should therefore exercise caution when dealing in Shares and any Options or other rights in respect of them. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

GENERAL

The Company has established the Independent Board Committee comprising all the independent non-executive Directors who, save for their interests in the Shares and Options as disclosed under the section headed "SHAREHOLDING STRUCTURE OF THE COMPANY" in this joint announcement, have no direct or indirect interest in the Offers to advise the Shareholders and Optionholders in relation to the terms and conditions for the Offers pursuant to Rule 2.1 of the Takeovers Code. An independent financial adviser will be appointed to advise the Independent Board Committee in respect of the Offers. An announcement in relation to the appointment of an independent financial adviser will be made after such appointment.

It is the intention of the Offeror and the Company to combine the offer document and the offeree board circular in the Composite Document. Pursuant to Rule 8.2 of the Takeovers Code, within 21 days of the date of this joint announcement, the Composite Document containing, among other things, (i) the terms and conditions of the Offers, (ii) a letter of recommendation from the Independent Board Committee to the Shareholders and the Optionholders in relation to the Offers, and (iii) a letter of advice from the independent financial adviser to advise the Independent Board Committee in respect of the Offers, together with the forms of acceptance and transfer of the Offer Shares and cancellation of the Options, will be despatched to the Shareholders and the Optionholders. As it is expected that the Closing Conditions will not be satisfied within 21 days from the date of this joint announcement, an application will be made to the Executive under Note 2 to Rule 8.2 of the Takeovers Code for his consent to extend the date of despatching of the Composite Document to a date falling within seven days of Closing or such other date as the Executive may approve.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 1:00 p.m. on February 13, 2015 pending the publication of this joint announcement. Application has been made by the Company for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on February 23, 2015.

UNUSUAL PRICE MOVEMENTS

The Board has noted the recent movements in the price of the Shares. Having made such enquiry with respect to the Company as is reasonable in the circumstances, save for the Acquisition and the Offers as respectively disclosed under the sections headed “SALE AND PURCHASE AGREEMENT” and “POSSIBLE UNCONDITIONAL MANDATORY CASH OFFERS” in this joint announcement, the Board confirms that it is not aware of any reasons for such price movements or of any information which must be announced to avoid a false market in the Shares or of any inside information that needs to be disclosed under Part XIVA of the SFO.

INTRODUCTION

Reference is made to the announcement issued by the Company dated January 15, 2015 regarding the possible disposal of Shares by Dr. Chan and Mrs. Chan. The Company was notified by the Sellers that after close of trading hours in Hong Kong on February 18, 2015, Jiangsu Hongtu as purchaser and the Sellers entered into the Sale and Purchase Agreement, pursuant to which the Sellers have conditionally agreed to sell or procure the sale of, and Jiangsu Hongtu has conditionally agreed to purchase or procure its Nominee to purchase, an aggregate of 1,145,146,990 Shares, representing approximately 45.00% of the entire issued share capital of the Company as at the date of this joint announcement, for an aggregate cash consideration of HK\$249,756,559.

In addition, under the Sale and Purchase Agreement, the Sellers jointly and severally granted to Jiangsu Hongtu the right (but not the obligation) at Jiangsu Hongtu's sole discretion and subject to Closing having taken place, to require, during the Call Option Period, the Sellers to sell, whereupon the Sellers shall tender for acceptance, or procure the tender for acceptance, under the Share Offer of, all or any part of the Retained Shares at the Offer Price. If Jiangsu Hongtu exercises the Call Option, any of the Retained Shares to be acquired shall be acquired as part of the Share Offer and at the Offer Price.

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

SALE AND PURCHASE AGREEMENT

Date: February 18, 2015

Parties: *Sellers*

- (1) Dr. Chan
- (2) Mrs. Chan
- (3) IDTL
- (4) Raymax

Purchaser

Jiangsu Hongtu

Dr. Chan and Mrs. Chan are executive Directors, and together with IDTL and Raymax, are controlling shareholders of the Company.

The Offeror and its ultimate beneficial owners are (i) third parties independent of and not connected with the Company and its connected persons, and are (ii) not acting in concert with any of them, save that (a) the Offeror will become a controlling shareholder of the Company upon Closing, and (b) by virtue of the existence and the terms of the Call Option only, the Sellers are being considered as persons acting in concert with the Offeror.

The Sale Shares

The Sale Shares comprise a total of 1,145,146,990 Shares, which in aggregate represent approximately 45.00% of the entire issued share capital of the Company as at the date of this joint announcement. A breakdown of the Sale Shares to be sold by the Sellers under the Sale and Purchase Agreement is as follows:

Sellers	Number of Shares comprising the Sale Shares
Dr. Chan	–
Mrs. Chan	46,520,887
IDTL	893,435,231
Raymax	205,190,872
Total	1,145,146,990

The Sale Shares will be acquired by Jiangsu Hongtu and/or its Nominee free from all Third Party Rights and with all rights then attaching to them, including the right to receive all distributions and dividends declared, paid or made in respect of the Sale Shares after Closing.

Upon Closing, the Sellers will together continue to hold 285,570,685 Shares, representing approximately 11.22% of the issued share capital of the Company as at the date of this joint announcement, of which up to 168,116,160 Shares (being the Retained Shares), representing approximately 6.46% of the enlarged issued share capital of the Company on the assumption of the exercise of up to 55,750,000 Options, are subject to the Call Option.

A breakdown of the Retained Shares which are subject to the Call Option granted to the Purchaser by the Sellers under the Sale and Purchase Agreement is as follows:

Sellers	Number of Retained Shares which are subject to the Call Option
Dr. Chan	13,867,948
Mrs. Chan	36,953,173
IDTL	117,295,039
Raymax	–
Total	168,116,160

Dr. Chan and Mrs. Chan have undertaken to Jiangsu Hongtu in the Sale and Purchase Agreement that in accordance with Rule 23.1 of the Takeovers Code, they will only exercise the Sellers' Exercisable Options before they lapse during the Offer Period. As of the date of this joint announcement, Dr. Chan and Mrs. Chan hold the following Options:

Exercise price (HK\$)	Dr. Chan	Mrs. Chan	Total
0.529	3,120,000	2,080,000	5,200,000 (the Sellers' Non-Exercisable Options)
0.104	5,000,000	5,000,000	10,000,000 (the Sellers' Exercisable Options)

Assuming that all the Relevant Options are exercised and the Call Option is exercised in full, the Offeror will, in addition to the Sale Shares, acquire up to 168,116,160 Shares (being the Retained Shares) (not including the Shares issued on exercise of the Sellers' Exercisable Options to be held by Dr. Chan and Mrs. Chan), representing approximately 6.46% of the issued share capital of the Company as at the date of this joint announcement as enlarged by the exercise of up to 55,750,000 Options. Please refer to the paragraph headed "Call Option" below for details of the exercise of the Call Option.

Consideration for the Sale Shares

The Sale Shares Consideration is HK\$249,756,559, representing HK\$0.2181 per Sale Share (rounded to 4 decimal places). The Sale Shares Consideration was negotiated and determined on an arm's length basis between Jiangsu Hongtu and the Sellers having regard to (i) the net tangible asset value of the Group, (ii) the unaffected average market value of the Shares for the month of August 2014 and until September 8, 2014, being the trading date immediately prior to the trading halt of the Shares on September 10, 2014 and the announcement of the Company published on the same day disclosing that the controlling shareholders of the Company were involved in informal preliminary discussions with potential interested parties for the possible disposal of their shares in the Company, (iii) the price of Shares on December 10, 2014, being the trading date immediately after the announcement of the Company published on December 9, 2014 informing the public that as far as the controlling shareholders of the Company were concerned, discussions on such possible disposals had come to an end at that time, (iv) publicly available financial information of the Group including its financial reports which recorded continuing losses for the interim reporting period ended September 30, 2014, (v) commercial adjustments between the parties having regard to Jiangsu Hongtu's limited due diligence on the Company, and (vi) a premium for control.

At Closing, the Sale Shares Consideration for the Sale Shares shall be settled by wire transfer to the bank account(s) as specified by the Sellers.

Closing Conditions

Closing is conditional on the following Closing Conditions having been fulfilled or waived in accordance with the Sale and Purchase Agreement:

- (i) the current listing of the Shares not having been withdrawn, the Shares continuing to be traded on the Stock Exchange prior to Closing (save for any temporary suspension for no longer than seven consecutive Stock Exchange trading days or such other period as Jiangsu Hongtu may reasonably agree or the temporary suspension in connection with transactions contemplated under the Sale and Purchase Agreement) and neither the Stock Exchange nor the SFC having indicated that either one of them will object to such continued listing for reasons related to or arising from the transactions contemplated under the Sale and Purchase Agreement;
- (ii) all necessary filings or registrations with the Shanghai Stock Exchange and relevant PRC government or regulatory authorities or agencies including without limitation the MOFCOM, China Securities Regulatory Commission and the State Administration of Foreign Exchange of the PRC, whose filing or registration is required for Jiangsu Hongtu, to purchase the Sale Shares and the Retained Shares under the Sale and Purchase Agreement (including filings in relation to the remittance of foreign exchange) having been completed (as evidenced by respective written confirmations issued by the relevant PRC government or regulatory authorities confirming the completion of such filings or registrations);
- (iii) the Sellers' Warranties being true and accurate in all material respects as at Closing and the Sellers' undertakings contained in the Sale and Purchase Agreement having been complied with in all material respects and not having a material adverse effect;
- (iv) the Purchaser's Warranties being true and accurate in all material respects as at Closing; and
- (v) the simultaneous closing of the sale and purchase of all the Sale Shares in accordance with the terms of the Sale and Purchase Agreement.

Closing Conditions (i) and (ii) may not be waived in any event by any of the Sellers and Jiangsu Hongtu. Closing Condition (iii) may only be waived by Jiangsu Hongtu in writing. Closing Condition (iv) may only be waived by the Sellers in writing. Closing Condition (v) may only be waived by the Sellers and Jiangsu Hongtu in writing.

Closing is expected to take place on the third Business Day after Closing Condition (ii) has been fulfilled (provided that all other Closing Conditions, other than those which have been waived pursuant to the Sale and Purchase Agreement, remain fulfilled at that date), or another date as agreed in writing among the Sellers and Jiangsu Hongtu.

Termination

If Closing has not occurred on or before the Long Stop Date, the Sale and Purchase Agreement will automatically terminate (other than certain customary surviving provisions). In such event, none of the Sellers and Jiangsu Hongtu (nor any of their Affiliates) shall have any claim under the Sale and Purchase Agreement against any other party thereto (or any of its Affiliates) except in respect of any rights and liabilities which have accrued before termination or under any of such customary surviving provisions.

Call Option

Subject to Closing having occurred, at any time during the Call Option Period and in any event no later than 9:00 a.m. on the Call Option Settlement Date, Jiangsu Hongtu may exercise the Call Option. Under the Call Option, Jiangsu Hongtu and/or its Nominee may purchase such number of Retained Shares as will enable Jiangsu Hongtu and/or its Nominee together to hold not less than but also not more than 50.50% of the total issued share capital of the Company (as enlarged by such number of Shares to be issued pursuant to the exercise of any of the Relevant Options) at 6:00 p.m. on the Call Option Record Date.

Upon the exercise of the Call Option, the Sellers shall be bound to tender such number of Retained Shares as determined on the Call Option Record Date based on the issued share capital of the Company (as enlarged by such number of Shares to be issued pursuant to the exercise of any of the Relevant Options) on such day for acceptance no later than 1:00 p.m. on the Call Option Settlement Date and the Offeror shall be bound to acquire such Retained Shares, if any, in each case, as part of and in accordance with the terms of the Share Offer. The Sellers shall be paid in respect of such Retained Shares, if any, as to be accepted by the Offeror under the Share Offer in accordance with the Takeovers Code. None of the rights and obligations under the Call Option may be assigned or transferred by Jiangsu Hongtu without the prior written consent of the Sellers.

Jiangsu Hongtu intends to exercise the Call Option at Closing, or as soon as practicable thereafter, and in any event before the despatch of the Composite Document. For the avoidance of doubt, the actual number of Retained Shares to be tendered by the Sellers pursuant to the exercise of the Call Option shall be determined at 6:00 p.m. on the Call Option Record Date.

Pursuant to the Sale and Purchase Agreement, Jiangsu Hongtu and the Sellers have agreed to set the timetable of the Offers such that the Call Option Record Date, the Call Option Settlement Date and the closing date of the Offers shall each fall on an SEHK trading day. In the event it should become apparent after the despatch of the Composite Document that the Call Option Record Date and/or the Call Option Settlement Date should fall on a non-SEHK trading day, the Sellers and Jiangsu Hongtu shall promptly in good faith consult with each other then with a view to adjusting the timing of the Call Option Record Date and/or the Call Option Settlement Date such that any relevant Retained Shares may be tendered by the Sellers prior to the close of the Offers. Any such agreed adjustments shall be appropriately disclosed by way of an announcement.

Undertakings

Under the Sale and Purchase Agreement and in connection with the Call Option, each of the Sellers has undertaken to Jiangsu Hongtu:

- (a) not to (i) withdraw any acceptance of the Offers in respect of the relevant Retained Shares, notwithstanding any withdrawal rights that may be afforded to the Shareholders and/or the Optionholders under the Takeovers Code or in the terms and conditions of the Offers, and (ii) before the Offers close, lapse or are withdrawn, other than pursuant to the Offers, sell, transfer, charge, encumber, grant any option over (or cause the same to be done) or otherwise dispose of any interest in the Retained Shares (other than to Jiangsu Hongtu and/or its Nominee in accordance with the terms of the Sale and Purchase Agreement); and

- (b) that he/she/it shall not (and shall procure that none of the parties acting in concert with him/her/it shall, other than Jiangsu Hongtu) (i) acquire any Shares at a price which is above the Offer Price, and/or (ii) exercise any Options where the exercise price of which is higher than the Offer Price, from the date of the Sale and Purchase Agreement until the end of the Offer Period.

Under the Sale and Purchase Agreement and in connection with the Sellers' Exercisable Options and the Sellers' Non-Exercisable Options, each of Dr. Chan and Mrs. Chan has undertaken to Jiangsu Hongtu:

- (a) that he/she shall exercise the relevant Sellers' Exercisable Options before they lapse during the Offer Period and that such Shares issued on the exercise of the relevant Sellers' Exercisable Options shall not be (i) tendered for acceptance under the Share Offer, (ii) sold, transferred or otherwise disposed of those Shares to other parties during the Offer Period, or (iii) otherwise made available for acceptance under the Offers; and
- (b) that he/she shall not (i) exercise any Sellers' Non-Exercisable Options before they lapse during the Offer Period, or (ii) tender any Sellers' Non-Exercisable Options for acceptance under the Offers.

POSSIBLE UNCONDITIONAL MANDATORY CASH OFFERS

As at the date of this joint announcement, the Sellers beneficially own an aggregate of 1,430,717,675 Shares, representing approximately 56.22% of the issued share capital of the Company as at the date of this joint announcement, while the Offeror and parties acting in concert with it are not interested in any Shares, other than the interest in the Sale Shares under the Sale and Purchase Agreement, including the Call Option.

Immediately upon Closing, the Sellers will beneficially own an aggregate of 285,570,685 Shares, representing approximately 11.22% of the issued share capital of the Company as at the date of this joint announcement.

By virtue of the existence and the terms of the Call Option only, the Sellers are considered as persons acting in concert with the Offeror.

Immediately following Closing, the Offeror and parties acting in concert with it (including the Sellers) will own an aggregate of 1,430,717,675 Shares, representing approximately 56.22% of the entire issued share capital of the Company as at the date of this joint announcement. Accordingly, upon Closing, the Offeror will be required to make (i) an unconditional mandatory cash offer for all the issued Shares (including the Retained Shares), other than those Shares already owned by or agreed to be acquired by the Offeror or parties acting in concert with it (other than the Sellers) pursuant to Rule 26.1 of the Takeovers Code; and (ii) an appropriate offer to the Optionholders for the cancellation of the outstanding Options (other than the Sellers' Exercisable Options and the Sellers' Non-Exercisable Options) pursuant to Rule 13 of the Takeovers Code.

Subject to Closing having taken place, Huatai will, for and on behalf of the Offeror, make the Offers (comprising the Share Offer and the Option Offer) on the terms to be set out in the Composite Document in accordance with the Takeovers Code on the following terms:

The Share Offer

For each Offer Share HK\$0.2181

The Offer Price of HK\$0.2181 for each Offer Share is the same as the purchase price per Sale Share of HK\$0.2181 pursuant to the Sale and Purchase Agreement.

The Shares to be acquired under the Share Offer shall be fully paid and shall be acquired free from all Third Party Rights and together with all rights of any nature attaching to them as at the date of despatch of the Composite Document, including the rights to receive all dividends and distribution declared, made or paid on or after the date of despatch of the Composite Document.

The Option Offer

The Company has in issue, two Share Option Schemes. An Option granted under the Share Option Schemes may be exercised in accordance with the terms of the respective Share Option Schemes at any time during a period as determined by the Board and not exceeding ten (10) years from the date of the grant.

In accordance with the terms of the Share Option Schemes, upon the making of a general offer to all the Shareholders to acquire the Shares and such offer is declared unconditional, the Optionholders are entitled to exercise the Options (to the extent not already exercised) at any time until whichever is the earlier of (i) the date of expiry of the Option period, or (ii) the last day of the period of 14 days after the date on which such general offer becomes or is declared unconditional, after which the Option shall lapse. In addition, under the terms of the Share Option Schemes, the Options are not assignable, and Optionholders may not in any way sell, transfer, assign, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Option or purport to do any of the foregoing.

For each Option with exercise price
below the Offer PriceHK\$0.2181 less the exercise price
in respect of the relevant Option

For each Option with exercise price
above the Offer Price HK\$0.0001

Note:

The offer price per Option under the Option Offer is illustrated in the following table:

Option	Exercisable period of the Options	Exercise price per Share	Number of new Shares issued upon exercise of Options (excluding 15,200,000 Options held by Dr. Chan and Mrs. Chan)	Offer price per Option
2002 Options	November 29, 2006 to November 28, 2015	HK\$0.548	312,000	HK\$0.0001
	November 29, 2007 to November 28, 2015	HK\$0.548	1,820,000	HK\$0.0001
	November 29, 2008 to November 28, 2015	HK\$0.548	1,508,000	HK\$0.0001
	December 1, 2006 to November 30, 2015 (<i>Note 1</i>)	HK\$0.529	4,160,000	HK\$0.0001
	December 1, 2012 to November 30, 2020	HK\$0.222	8,375,000	HK\$0.0001
	December 1, 2013 to November 30, 2020	HK\$0.222	8,375,000	HK\$0.0001
	December 12, 2013 to December 11, 2021 (<i>Note 2</i>)	HK\$0.104	7,500,000	HK\$0.1141
	December 12, 2014 to December 11, 2021 (<i>Note 3</i>)	HK\$0.104	8,000,000	HK\$0.1141
	April 18, 2015 to April 17, 2022	HK\$0.136	1,500,000	HK\$0.0821
2012 Options	December 3, 2013 to December 2, 2022	HK\$0.131	1,125,000	HK\$0.0871
	December 3, 2014 to December 2, 2022	HK\$0.131	1,625,000	HK\$0.0871
	March 27, 2015 to March 26, 2023	HK\$0.130	750,000	HK\$0.0881
	June 27, 2014 to June 26, 2023	HK\$0.134	2,500,000	HK\$0.0841
	June 27, 2015 to June 26, 2023	HK\$0.134	2,500,000	HK\$0.0841
	July 7, 2015 to July 6, 2024	HK\$0.172	1,750,000	HK\$0.0461
	July 7, 2016 to July 6, 2024	HK\$0.172	1,750,000	HK\$0.0461

Notes:

1. Excluding the Sellers' Non-Exercisable Options.
2. Excluding the Sellers' Exercisable Options.
3. Excluding the Sellers' Exercisable Options.

As at the date of this joint announcement, the Company has 68,750,000 Options conferring rights on the Optionholders to subscribe for Shares. Excluding the Sellers' Exercisable Options and the Sellers' Non-Exercisable Options, the Company has 53,550,000 Options outstanding. Out of the 53,550,000 outstanding Options, there are 29,000,000 Options with exercise prices which are lower than the Offer Price. On this basis, the Option Offer will be calculated on a "see-through" basis, pursuant to which each Optionholder will be entitled to receive a sum for each Option equivalent to the amount calculated by deducting the relevant exercise price payable on exercise of the relevant Option from the Offer Price. For the remaining outstanding Options, there are 24,550,000 Options with exercise prices which are above the Offer Price. As the exercise prices of these 24,550,000 Options are out-of-the-money, the Option Offer for each of these Options is made at a nominal price of HK\$0.0001.

The Option Offer will be extended to all eligible Optionholders in accordance with the Takeovers Code, other than to the Sellers in respect of the Sellers' Exercisable Options and the Sellers' Non-Exercisable Options. Further information on the Option Offer will be set out in a letter to the Optionholders which will be despatched as far as practicable contemporaneously with the despatch of the Composite Document.

The Offers, if and when made, will be unconditional in all respects. The Offeror will declare the same in the Composite Document.

Comparisons of value

The Offer Price of HK\$0.2181 per Offer Share represents:

	Share price of the Company <i>HK\$</i>	Premium/(Discount) of the Offer Price to the share price <i>Approximate %</i>
Closing price as quoted on the Stock Exchange on September 8, 2014, being the trading date immediately prior to the trading halt of the Shares on September 10, 2014 and the announcement of the Company published on the same day disclosing that the controlling shareholders of the Company are involved in informal preliminary discussions with potential interested parties for the possible disposal of their Shares	0.2750	(20.69)
Closing price as quoted on the Stock Exchange on December 10, 2014, being the trading date immediately after the announcement of the Company published on December 9, 2014 informing the public that as far as the controlling shareholders of the Company were concerned, discussions on such possible disposals had come to an end at that time	0.4000	(45.48)
Closing price as quoted on the Stock Exchange on January 14, 2015, being the trading date immediately prior to the trading halt of the Shares on January 15, 2015 and the announcement of the Company published on the same day disclosing that the controlling shareholders of the Company were involved in discussions with a potential interested party (who was a different party to that who was the subject of the announcement made by the Company on September 10, 2014) for the possible disposal of their Shares	0.6100	(64.25)

	Share price of the Company HK\$	Premium/(Discount) of the Offer Price to the share price Approximate %
Closing price as quoted on the Stock Exchange on the Last Trading Day	0.5000	(56.38)
Average closing price for the five consecutive trading days as quoted on the Stock Exchange immediately prior to and including the Last Trading Day	0.4950	(55.94)
Average closing price for the ten consecutive trading days as quoted on the Stock Exchange immediately prior to and including the Last Trading Day	0.5055	(56.85)
Average closing price for the 30 consecutive trading days as quoted on the Stock Exchange immediately prior to and including the Last Trading Day	0.5215	(58.18)
Audited (consolidated) net asset value attributable to the Shareholders per Share based on 2,504,521,088 Shares in issue as at March 31, 2014	0.1916	13.85
Unaudited (consolidated) net asset value attributable to the Shareholders per Share based on 2,507,521,088 Shares in issue as at September 30, 2014	0.1866	16.91

Highest and lowest trading prices

During the six-month period immediately preceding January 15, 2015 (being the date of commencement of the Offer Period for the Offers), the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.83 per Share on October 8, 2014 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.18 per Share on July 17, 2014.

WARNING: The Offers are a possibility only. Closing is conditional upon the fulfilment (or, with respect to certain Closing Conditions, waiver) of the Closing Conditions set out under the paragraph headed “Closing Conditions” under the section headed “SALE AND PURCHASE AGREEMENT” in this joint announcement. Accordingly, Closing may or may not take place and the Offers may or may not be made. Shareholders, Optionholders and potential investors should therefore exercise caution when dealing in Shares and any Options or other rights in respect of them. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

Value of the Offers

- (i) As at the date of this joint announcement, there are 2,544,771,088 Shares in issue, and the entire issued share capital of the Company is valued at approximately HK\$555,014,574 on the basis of the Offer Price of HK\$0.2181 per Share.
- (ii) Assuming that (a) there is no change in the issued share capital of the Company, (b) none of the outstanding Options is exercised prior to the close of the Offers (other than the Sellers’ Exercisable Options which will be exercised before they lapse during the Offer Period), and (c) the Sellers’ Non-Exercisable Options will not be tendered for acceptance under the Option Offer, the Offers are valued at approximately HK\$308,039,621 in aggregate.

- (iii) Assuming that (a) all Options are exercised before they lapse prior to the close of the Offers (other than the Sellers' Non-Exercisable Options), and (b) all Shares issued on the exercise of Options will be tendered for acceptance under the Share Offer (other than the Shares issued on the exercise of the Sellers' Exercisable Options), the Offers are valued at approximately HK\$316,937,271 in aggregate.

Confirmation of Financial Resources

The Offeror will finance the Offers by the Loan and the Facility. Huatai has been appointed as the financial adviser to the Offeror in respect of the Offers. Huatai is satisfied that sufficient resources are available to the Offeror to satisfy the consideration for the Sale Shares under the Sale and Purchase Agreement and the full acceptance of the Offers.

Sanpower (HK) Co., Ltd., the lender of the Loan, is a wholly-owned subsidiary of 三胞集團有限公司 (Sanpower Group Co., Ltd.*), which is also the guarantor under the Facility. Sanpower Group Co., Ltd. is a conglomerate incorporated in the PRC engaging in finance and investment, retail and trading, information services, medical and health care, and real estate development. Sanpower Group Co., Ltd. is the single largest shareholder of Jiangsu Hongtu, holding approximately 21.77% of its issued share capital as the date of this joint announcement.

Effect of accepting the Offers

By validly accepting the Share Offer, the Shareholders will sell to the Offeror their Offer Shares free from all Third Party Rights and together with all rights attaching or accruing to the Offer Shares as at the date of despatch of the Composite Document, including the rights to receive all dividends and distribution declared, made or paid on or after the date of despatch of the Composite Document.

By validly accepting the Option Offer, the outstanding Options tendered by the Optionholders will be cancelled, together with all rights attaching thereto with effect from the date of despatch of the Composite Document. Optionholders should note that under the respective rules of the Share Option Schemes, all Options that remain unexercised prior to the earlier of (i) the date of expiry of the Option period, or (ii) the last day of the period of 14 days after the date on which the Share Offer becomes or is declared unconditional, shall lapse.

Acceptance of the Offers shall be irrevocable and shall not be capable of being withdrawn, subject to the Takeovers Code.

Other arrangements

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

- (i) save for the Sale Shares and the Retained Shares, neither the Offeror nor any person acting in concert with any of them owned or had control or direction over any voting rights or rights over the Shares or convertible securities, warrants, options of the Company or any derivatives in respect of such securities;

- (ii) neither the Offeror nor any person acting in concert with any of them had dealt for value in any Shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities in the 6 months prior to January 15, 2015 (being the date of commencement of the Offer Period);
- (iii) save in relation to the Call Option, neither the Offeror nor any person acting in concert with any of them has received any irrevocable commitment to accept the Offers;
- (iv) there is no outstanding derivative in respect of the securities in the Company entered into by the Offeror nor any person acting in concert with any of them;
- (v) there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Shares and which might be material to the Offers;
- (vi) save for the Sale and Purchase Agreement, there is no agreement or arrangement to which the Offeror or any person acting in concert with any of them, is a party which relates to circumstances in which the Offeror may or may not invoke or seek to invoke a pre-condition or a condition to the Offers; and
- (vii) neither the Offeror nor any person acting in concert with any of them has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

Stamp Duty

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

No stamp duty is payable in connection with the acceptance of the Option Offer.

Payment

Payment (after deducting the accepting Shareholders' share of ad valorem stamp duty in connection with the Share Offer) in cash in respect of acceptances of the Offers will be made as soon as possible but in any event within 7 business days (as defined under the Takeovers Code) of the date on which duly completed acceptances of the Offers and the relevant documents of title of the Shares or the Options (as the case may be) are received by the Offeror to render each such acceptance complete and valid.

No fraction of a cent will be payable and the amount of the consideration payable to a person who accepts the Offers will be rounded up to the nearest cent.

Taxation advice

Shareholders and Optionholders are recommended to consult their own professional advisers as to the taxation implications of accepting or rejecting the Offers. None of the Offeror, the Company and their respective directors, officers or associates or any other person involved in the Offers accept responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offers.

Overseas Shareholders and Optionholders

The making of the Offers to persons who are citizens, residents or nationals of jurisdictions outside Hong Kong may be affected by or subject to the laws and regulations of the relevant jurisdictions. Such persons should inform themselves about and observe any applicable legal, tax and regulatory requirements in their own jurisdictions. It is the responsibility of any overseas Shareholders or Optionholders wishing to accept the Offers to satisfy themselves as to the full observance of the laws of the relevant jurisdictions in connection with the Offers, including obtaining any governmental, exchange control or other consents which may be required, or compliance with other necessary formalities and the payment of any issue, fares, transfer or other taxes due in such jurisdiction.

Any acceptance by any overseas Shareholder or Optionholder will be deemed to constitute a representation and warranty from such overseas Shareholder or Optionholder that the local laws and requirements in respect of such Shareholder or Optionholder have been complied with. The overseas Shareholders and Optionholders should consult their professional advisers if in doubt.

SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company:

- (i) as at the date of this joint announcement,
- (ii) immediately following Closing but before the commencement of the Offers (assuming no Options are exercised),
- (iii) immediately following the full exercise of the Call Option (assuming all Relevant Options are exercised), and

- (iv) immediately following the completion of the Offers, assuming (a) all Relevant Options are exercised, (b) the Shares tendered for acceptance by Shareholders (other than the Sellers and the independent non-executive Directors) under the Share Offer, together with the Sale Shares, result in Jiangsu Hongtu and/or its Nominee being interested in 50.50% of the total issued share capital of the Company, and (c) no Retained Shares are tendered by the Sellers for acceptance under the Share Offer, are set out as follows:

	As at the date of this joint announcement		Immediately following Closing but before commencement of the Offers, assuming no Options are exercised		Immediately following the full exercise of the Call Option, assuming all Relevant Options are exercised		Immediately following the completion of the Offers, assuming (a) all Relevant Options are exercised, (b) the Shares tendered for acceptance by Shareholders (other than the Sellers and the independent non-executive Directors) under the Share Offer, together with the Sale Shares, result in Jiangsu Hongtu and/or its Nominee being interested in 50.50% of the total issued share capital of the Company, and (c) no Retained Shares are tendered by the Sellers for acceptance under the Share Offer	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
Offeror and parties acting in concert with it (excluding the Sellers)	–	–	1,145,146,990	45.00	1,313,263,150	50.50	1,313,263,150	50.50
Dr. Chan (Note 1)	105,505,102	4.15	105,505,102	4.15	96,637,154	3.72	110,505,102	4.25
Mrs. Chan (Note 2)	109,291,431	4.29	62,770,544	2.47	30,817,371	1.19	67,770,544	2.61
IDTL (Note 1)	1,010,730,270	39.72	117,295,039	4.61	–	–	117,295,039	4.51
Raymax (Note 2)	205,190,872	8.06	–	–	–	–	–	–
Sub-total of the Offeror and parties acting in concert with it (including the Sellers)	1,430,717,675	56.22	1,430,717,675	56.22	1,440,717,675	55.40	1,608,833,835	61.87
Mr. Lo Kai Yiu, Anthony (Note 3)	1,711,779	0.07	1,711,779	0.07	6,711,779	0.26	6,711,779	0.26
Mr. Jack Schmuckli (Note 4)	6,667,200	0.26	6,667,200	0.26	6,667,200	0.26	6,667,200	0.26
Mr. Kao Ying Lun (Note 5)	–	–	–	–	5,000,000	0.19	5,000,000	0.19
Dr. Kenichi Ohmae (Note 6)	–	–	–	–	5,000,000	0.19	5,000,000	0.19
Public	1,105,674,434	43.45	1,105,674,434	43.45	1,136,424,435	43.70	968,308,275	37.24
Total	2,544,771,088	100	2,544,771,088	100	2,600,521,088	100	2,600,521,088	100

Notes:

1. IDTL is the beneficial owner of these Shares. As of the date of this joint announcement, IDTL is wholly and beneficially owned by Dr. Chan. By virtue of the SFO, Dr. Chan is deemed to be interested in the same parcel of Shares in which IDTL is interested.
2. Raymax is the beneficial owner of these Shares. As of the date of this joint announcement, Raymax is wholly and beneficially owned by Mrs. Chan. By virtue of the SFO, Mrs. Chan is deemed to be interested in the same parcel of Shares in which Raymax is interested.
3. Mr. Lo Kai Yiu, Anthony is an independent non-executive Director.
4. Mr. Jack Schmuckli is an independent non-executive Director.
5. Mr. Kao Ying Lun is an independent non-executive Director.
6. Dr. Kenichi Ohmae is an independent non-executive Director.

INFORMATION OF THE GROUP

The Company is a company incorporated in Bermuda with limited liability, and its Shares have been listed on the Main Board of the Stock Exchange since 1988. The principal activity of the Group is investment holdings, design, development, manufacture, marketing and distribution of lifestyle electronic products.

The table below sets forth a summary of certain audited consolidated financial information of the Group for the years ended March 31, 2013 and March 31, 2014 extracted from the 2014 annual report of the Group and unaudited consolidated financial information of the Group for the six months ended September 30, 2014 extracted from the 2015 interim report of the Group:

	For the year ended March 31, 2013	For the year ended March 31, 2014	For the six months ended September 30, 2014
	(Audited)	(Audited)	(Unaudited)
	<i>(HK\$million)</i>	<i>(HK\$million)</i>	<i>(HK\$million)</i>
Turnover	1,578.2	1,352.4	603.1
Loss before taxation	(15.8)	(52.1)	(5.7)
Loss for the year/period attributable to owners of the Company	(28.9)	(68.8)	(6.8)
Net assets	543.2	479.8	467.8

INFORMATION OF THE OFFEROR

Jiangsu Hongtu is a joint stock company established in the PRC with limited liability, whose shares are listed on the Shanghai Stock Exchange (Stock Code: 600122) and is principally engaged in 3C retailing, industrial manufacturing, real estate business, as well as system integration. The main businesses of the Offeror's group companies consist of products retailing business, which involves in operation of regular chain retail stores, dealing with computers, digital products, communications products, network and sever devices, office automation equipment, as well as software and IT related books; industrial manufacturing business, which provides optical cables, electric cables, printers and communications equipment, among others, as well as real estate business, which is involved in the development and operation of high end residential properties.

Each of Hongtu (HK) and Hongtu (Seychelles) is an investment holding company within the Jiangsu Hongtu group and were established for the purpose of the transactions contemplated in this joint announcement. They do not have any other operations.

REASONS FOR THE ACQUISITION

HISAP, a wholly-owned subsidiary of Jiangsu Hongtu, is one of the largest professional 3C retail chain stores in the PRC which possesses strengths in supply chain management with an extensive customer base as well as an efficient distribution network. The Offeror believes that the Group, through the Acquisition, will further complement the product line of HISAP and capture potential market demand for mid to high-end products, which will further enhance the marketing position of HISAP as a "novel, high-tech, internet" professional 3C retail chain store in the PRC. The Offeror further believes that the Acquisition will strengthen HISAP's product development and production capabilities, in particular, in the area of intelligent hardware and wearable device which has promising market potential. The Offeror expects that the Acquisition will benefit both the Offeror's group and the Group as a result of the synergies in terms of integration of value chain, distribution network as well as brand positioning.

OFFEROR'S INTENTION ON THE GROUP

Operational matters, employees and senior management

After the close of the Offers, the Offeror will review the businesses of the Group, including among others, the Group's relationships with its customers and suppliers, portfolio of products, assets, corporate and organizational structure, capitalization, operations, policies, management and personnel to consider and determine what changes, if any, would be necessary, appropriate or desirable, long term and short term, in order to organize and optimize the businesses and operations of the Group and to integrate the same within the Offeror's group. The Offeror intends that the Group will continue to operate its businesses in substantially their current state in the 12 months following the close of the Offers.

Save as in connection with the Offeror's intention regarding the Group as set out above and the proposed change of board composition as set out below, the Offeror does not currently intend nor does it have any existing plans to terminate the employment of any of the employees or other personnel of the Group.

However, the Offeror reserves the right to make such changes that it deems necessary or appropriate to the Group's businesses and operations (including the composition of the senior management team of the Group) to better integrate, generate synergy and achieve enhanced economies of scale with the other business operations of the Offeror's group. The Offeror and the Company will comply with the relevant disclosure requirements under the Takeovers Code for any such changes as and when appropriate.

Proposed change of board composition of the Company

The Board is currently made up of six Directors, comprising two executive Directors, being Dr. Chan and Mrs. Chan, and four independent non-executive Directors.

Jiangsu Hongtu intends to nominate six Directors to the Board for appointment with effect from a date which is no earlier than such date as permitted under Rule 26.4 of the Takeovers Code. As at the date of this joint announcement, Jiangsu Hongtu has not reached any final decision as to who will be nominated.

Pursuant to the Sale and Purchase Agreement, (i) Mrs. Chan shall resign from the Board with effect from the close of the Offers, or such earlier date as may be permitted under the Takeovers Code or by the Executive, and (ii) the Sellers have agreed to use their respective best efforts (including procuring their respective appointees to the Board to exercise their voting powers) to procure that all of the independent non-executive Directors as at the date of this joint announcement shall resign from the Board with effect from the close of the Offers, or such earlier date as may be permitted under the Takeovers Code or by the Executive. Notwithstanding the possible changes in the composition of the independent non-executive Directors with effect from the closing of the Offers resulting from the aforementioned, Jiangsu Hongtu and the Company will take all steps necessary to ensure that the number of independent non-executive Directors does not fall below one-third of the total number of Directors for more than three months, such that the Company shall continue to be compliant with Rule 3.11 of the Listing Rules.

Any changes to the Board will be made in compliance with the Takeovers Code and the Listing Rules and will be announced accordingly.

Maintenance of the listing status of the Company

The Offeror intends to maintain the listing of the Shares on the Stock Exchange after the close of the Offers.

If, at the close of the Offers, 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 may consider exercising its discretion to suspend dealings in the Shares.

If, during the Offer Period, there is any indication that the Company may no longer comply with the minimum public float requirements under Rule 8.08 of the Listing Rules following completion of the Offers, each of the Sellers and Jiangsu Hongtu has agreed to forthwith consult with each other in good faith and Jiangsu Hongtu shall procure the involvement of the Company in a consultation process to explore such proposal as may be available to restore the Company's minimum public float within the time frame stipulated by the Stock Exchange. The Offeror will further undertake to the Stock Exchange in the Composite Document to procure the Company to take appropriate steps following the close of the Offers to ensure that such number of Shares as may be required by the Stock Exchange are held by the public within the time frame stipulated by the Stock Exchange. Any future transactions between the Group and its connected persons, including the Offeror's group, will be carried out on an arm's length basis and in compliance with the Listing Rules.

GENERAL

Independent board committee and independent financial adviser

In accordance with the Takeovers Code, the Company has established the Independent Board Committee comprising all of the independent non-executive Directors, namely Mr. Lo Kai Yiu, Anthony, Mr. Kao Ying Lun, Mr. Jack Schmuckli and Dr. Kenichi Ohmae to advise the Shareholders and the Optionholders as to whether the Offers are, or are not, fair and reasonable; and as to acceptance of the Offers.

An independent financial adviser will be appointed to advise the Independent Board Committee in respect of the Offers. The appointment of the independent financial adviser is subject to the approval of the Independent Board Committee. An announcement in relation to the appointment of an independent financial adviser will be made after such appointment.

Composite offer document

It is the intention of the Offeror and the Company to combine the offer document and the offeree board circular in the Composite Document. Pursuant to Rule 8.2 of the Takeovers Code, within 21 days of the date of this joint announcement, the Composite Document containing, among other things, (i) the terms and conditions of the Offers, (ii) a letter of recommendation from the Independent Board Committee to the Shareholders and the Optionholders in relation to the Offers, and (iii) a letter of advice from the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offers, together with the forms of acceptance and transfer of the Offer Shares and cancellation of the Options, will be despatched to the Shareholders and the Optionholders. As it is expected that the Closing Conditions will not be satisfied within 21 days from the date of this joint announcement, an application will be made to the Executive under Note 2 to Rule 8.2 of the Takeovers Code for his consent to extend the date of despatching the Composite Document to a date falling within seven days of Closing or such other date as the Executive may approve.

Further announcement will be made when the Composite Document together with the form of acceptance and transfer in respect of the Offers are despatched.

DISCLOSURE OF DEALINGS

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

For this purpose, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced as follows:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.

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

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

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 1:00 p.m. on February 13, 2015 pending the publication of this joint announcement. Application has been made by the Company for the resumption of trading in the Shares on the Stock Exchange from 9:00 a.m. on February 23, 2015.

DEFINITIONS

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

“2002 Options”	all unexpired and unexercised options (whether or not exercisable) issued by the Company under the share option scheme adopted by the Company on August 28, 2002
“2012 Options”	all unexpired and unexercised options (whether or not exercisable) issued by the Company under the share option scheme adopted by the Company on August 29, 2012
“Acquisition”	the acquisition of the Sale Shares pursuant to the Sale and Purchase Agreement
“acting in concert”	has the meaning ascribed thereto under the Takeovers Code, as extended to include persons presumed to be acting in concert
“Affiliates”	in relation to any party, any subsidiary or holding company of that party and any subsidiary of any such holding company, in each case from time to time
“associate(s)”	has the meaning ascribed thereto under the Takeovers Code
“Board”	the board of Directors
“Business Day”	a day other than a Saturday or Sunday or public holiday in Hong Kong, and the PRC on which banks are open in Hong Kong and the PRC for general commercial business
“Call Option”	Jiangsu Hongtu’s right to require the Sellers to sell to it all or any part of the Retained Shares during the Call Option Period free from all Third Party Rights in accordance with the terms of the Offers
“Call Option Period”	the period between Closing and the end of the Call Option Settlement Date (both dates inclusive)
“Call Option Record Date”	a day that is the 19th day following the date of despatch of the Composite Document
“Call Option Settlement Date”	a day that is the first day following the Call Option Record Date

“Closing”	closing of the sale and purchase of the Sale Shares in accordance with the Sale and Purchase Agreement
“Closing Conditions”	conditions to Closing, further details of which are set out in the paragraph headed “Closing Conditions” under the section headed “SALE AND PURCHASE AGREEMENT” of this joint announcement
“Company”	IDT International Limited (萬威國際有限公司*), a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange
“Composite Document”	the composite offer document and offeree board circular in respect of the Offers to be despatched to the Shareholders and the Optionholders
“connected person”	has the meaning ascribed to it in the Listing Rules
“controlling shareholder”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	director(s) of the Company
“Dr. Chan”	Dr. Raymond Chan (陳煒文), the founder of the Group, the Chairman of the Board and Group Chief Executive Officer, an executive Director, and is the spouse of Mrs. Chan
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Facility”	the loan facility, pursuant to a facility agreement dated February 13, 2015 and entered into among Huatai Capital Finance Limited, as lender, Hongtu (HK), as borrower, and 三胞集團有限公司 (Sanpower Group Co. Ltd.*), as guarantor, of an amount of up to HK\$281 million in respect of the financing of the Offers
“Group”	the Company and its subsidiaries
“HISAP”	宏圖三胞高科技術有限公司 (Hisap High Technology Corporation*), a company incorporated in the PRC and is a wholly-owned subsidiary of Jiangsu Hongtu

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Hongtu (HK)”	Jiangsu Hongtu High Technology (Hong Kong) Co. Limited (江蘇宏圖高科技(香港)股份有限公司), a company incorporated in Hong Kong with limited liability, which is a direct wholly-owned subsidiary of Jiangsu Hongtu
“Hongtu (Seychelles)”	Hongtu High Technology International Inc., an international business company incorporated in the Republic of Seychelles, which is a direct wholly-owned subsidiary of Hongtu (HK)
“Huatai”	Huatai Financial Holdings (Hong Kong) Limited, a licensed corporation to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) activities under the SFO, being the financial adviser to the Offeror in respect of the Offers
“IDTL”	Integrated Display Technology Limited, a company incorporated in the British Virgin Islands with limited liability, which is wholly and beneficially owned by Dr. Chan
“Independent Board Committee”	the independent board committee of the Company comprising all the independent non-executive Directors who, save for their interests in the Shares and Options as disclosed under the section headed “SHAREHOLDING STRUCTURE OF THE COMPANY” in this joint announcement, have no direct or indirect interest in the Offers to advise and give recommendation to the Shareholders and Optionholders in respect of the Offers and as to acceptance of the Offers
“Jiangsu Hongtu”	江蘇宏圖高科技股份有限公司 (Jiangsu Hongtu High Technology Co., Ltd*), a joint stock company incorporated in the PRC whose shares are listed on the Shanghai Stock Exchange (Stock Code: 600122)
“Last Trading Day”	February 12, 2015, being the last full trading day immediately prior to the trading halt of the Shares pending the release of this joint announcement

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the loan extended by Sanpower (Hong Kong) Company Limited (三胞(香港)有限公司), as lender to Hongtu (HK), as borrower, of an amount of up to HK\$300 million in respect of the financing of the Acquisition pursuant to the Sale and Purchase Agreement and part of the Offers
“Long Stop Date”	June 18, 2015, being the date which falls four months after the date of the Sale and Purchase Agreement
“Main Board”	the Main Board of the Stock Exchange (excludes the option market) operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange
“MOFCOM”	the Ministry of Commerce of the PRC (中華人民共和國商務部) and its relevant local counterparts
“Mrs. Chan”	Mrs. Chan Pau Shiu Yeng, Shirley (陳鮑雪瑩), a co-founder of the Group, an executive Director, and is the spouse of Dr. Chan
“Nominee”	a direct or indirect wholly-owned subsidiary of Jiangsu Hongtu
“Offer Period”	has the same meaning as that ascribed to it under the Takeovers Code
“Offer Price”	HK\$0.2181 per Offer Share
“Offer Share(s)”	all the Share(s) in issue, other than already owned or agreed to be acquired by the Offeror and parties acting in concert with it (other than the Sellers), which are subject to the Share Offer
“Offeror”	collectively, Jiangsu Hongtu, Hongtu (HK) and Hongtu (Seychelles)
“Offers”	the Share Offer and the Option Offer

“Options”	either the 2002 Options or the 2012 Options, an Option is any one of them
“Optionholder(s)”	holder(s) of the Option(s)
“Option Offer”	the possible unconditional mandatory cash offer to be made by Huatai, for and on behalf of the Offeror for the cancellation of all the outstanding Options held by the Optionholders in accordance with the Takeovers Code (excluding the Sellers’ Exercisable Options and the Sellers’ Non-Exercisable Options)
“PRC”	the People’s Republic of China, (excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan for the purpose of this joint announcement)
“Purchaser’s Warranties”	the warranties given by Jiangsu Hongtu under the Sale and Purchase Agreement
“Raymax”	Raymax Time Company Limited, a company incorporated in the British Virgin Islands with limited liability, which is wholly and beneficially owned by Mrs. Chan
“Relevant Options”	55,750,000 Options, being all Options issued by the Company except for 7,800,000 Options not held by Dr. Chan and Mrs. Chan and 5,200,000 Options held by Dr. Chan and Mrs. Chan, the exercise prices of which are higher than the closing price as quoted on the Stock Exchange on the Last Trading Day
“Retained Shares”	168,116,160 Shares (representing approximately 6.46% of the enlarged issued share capital of the Company on the assumption of the exercise of up to 55,750,000 Options), being the subject of the Call Option, that the Sellers hold or are otherwise interested in as at the date of this joint announcement and will hold or are otherwise interested in the Company immediately after Closing
“Sale and Purchase Agreement”	the conditional sale and purchase agreement dated February 18, 2015 entered into between the Sellers and Jiangsu Hongtu in relation to (i) the acquisition of the Sale Shares by Jiangsu Hongtu from the Sellers, and (ii) the Call Option

“Sale Shares”	1,145,146,990 Shares owned by the Sellers to be acquired by Jiangsu Hongtu pursuant to the Sale and Purchase Agreement, representing approximately 45.00% of the entire issued share capital of the Company as at the date of this joint announcement
“Sale Shares Consideration”	HK\$249,756,559, being the total consideration for all the Sale Shares under the Sale and Purchase Agreement
“Sellers”	Dr. Chan, Mrs. Chan, IDTL and Raymax
“Sellers’ Exercisable Options”	10,000,000 Options, which are non-transferrable, (the exercise price of which is HK\$0.104 per Option which is lower than the Offer Price) of the 15,200,000 Options held by Dr. Chan and Mrs. Chan
“Sellers’ Non-Exercisable Options”	5,200,000 Options, which are non-transferrable, (the exercise price of which is HK\$0.529 per Option, which is higher than the Offer Price) of the 15,200,000 Options held by Dr. Chan and Mrs. Chan
“Sellers’ Warranties”	the warranties given by the Sellers under the Sale and Purchase Agreement
“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 par value HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Share Offer”	the possible unconditional mandatory cash offer to be made by Huatai, for and on behalf of the Offeror 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 (other than the Sellers)) in accordance with the Takeovers Code
“Share Option Schemes”	the share option schemes under which the 2002 Options and the 2012 Options are granted
“Stock Exchange” or “SEHK”	The Stock Exchange of Hong Kong Limited

“Takeovers Code”	The Code on Takeovers and Mergers published by the SFC
“Third Party Rights”	any interest or equity of any person (including any right to acquire, option or right of pre-emption or conversion) or any mortgage, charge, pledge, lien, assignment, hypothecation, security interest, title retention or any other security agreement or arrangement, or any agreement to create any of the above

By order of the board of
江蘇宏圖高科技股份有限公司
(Jiangsu Hongtu High Technology Co., Ltd*)
Yang Huaizhen
Chairman

By order of the board of
IDT International Limited
Raymond Chan
Chairman & Group Chief Executive Officer

By order of the board of
Jiangsu Hongtu High Technology
(Hong Kong) Co. Limited
(江蘇宏圖高科技(香港)股份有限公司)
Song Rongrong
Director

By order of the board of
Hongtu High Technology International Inc.
Song Rongrong
Director

Hong Kong, February 18, 2015

As at the date of this joint announcement, the board of directors of Jiangsu Hongtu comprises: Mrs. Yang Huaizhen (Chairman), Mr. Yi Chuilin (Vice-Chairman), Mr. Chen Bin, Mr. Ba Jing, Mr. Cheng Xuegen, Mr. Hu Fang, Mr. Zhang Wei and independent non-executive directors, namely, Mr. Shen Kunrong, Mr. Su Wenbing, Mr. Hui Guangping and Mr. Sui Hongming.

As at the date of this joint announcement, the sole director of Hongtu (HK) is Mr. Song Rongrong.

As at the date of this joint announcement, the sole director of Hongtu (Seychelles) is Mr. Song Rongrong.

As at the date of this joint announcement, the executive Directors are Dr. Raymond Chan (Chairman & Group Chief Executive Officer) and Mrs. Chan Pau Shiu Yeng and the independent non-executive Directors are Mr. Lo Kai Yiu, Anthony, Mr. Kao Ying Lun, Mr. Jack Schmuckli and Dr. Kenichi Ohmae.

The respective directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Sellers and the Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Sellers and the Group) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statements in this joint announcement misleading.

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

* for identification purpose only