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

### MORGAN HILL HOLDINGS LIMITED

### SHIS LIMITED

(Incorporated in the British Virgin Islands with limited liability)

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1647)

# JOINT ANNOUNCEMENT

- (I) COMPLETION OF THE ACQUISITION OF SALE SHARES IN SHIS LIMITED;
  (II) MANDATORY UNCONDITIONAL CASH OFFER BY
  - **KINGSTON SECURITIES**

FOR AND ON BEHALF OF THE OFFEROR
TO ACQUIRE ALL THE ISSUED SHARES IN SHIS LIMITED
(OTHER THAN THOSE ALREADY OWNED OR TO BE
ACQUIRED BY THE OFFEROR AND PARTIES ACTING
IN CONCERT WITH IT);
AND
(III) RESUMPTION OF TRADING

Financial adviser to the Offeror

**KINGSTON CORPORATE FINANCE** 

# COMPLETION OF THE ACQUISITION OF SALE SHARES IN THE COMPANY

The Company was informed by the Vendors that on 27 April 2018 (after trading hours of the Stock Exchange), the Offeror and Trinity Gate (as purchasers) and the Vendors (as vendors) entered into the Sale and Purchase Agreement in relation to the sale and purchase of an aggregate of 750,000,000 Sale Shares (representing approximately 72.29% of the entire issued share capital of the Company as at the date of this joint announcement). Under the Sale and Purchase Agreement, the Offeror has agreed to acquire 623,000,000 Shares, representing approximately 60.05% of the entire issued share capital of the Company as at the date of this joint announcement. Completion took place on 7 May 2018.

# MANDATORY UNCONDITIONAL CASH OFFER

Immediately prior to Completion, the Offeror and the parties acting in concert with it (including Trinity Gate) did not hold, own, control or have direction over any voting rights or rights over Shares or convertible securities, warrants, options or derivatives of the Company. Immediately following Completion and as at the date of this joint announcement, the Offeror and the parties acting in concert with it (including Trinity Gate) are interested in 750,000,000 Shares, representing approximately 72.29% of the entire issued share capital of the Company as at the date of this joint announcement.

Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned or to be acquired by the Offeror and the parties acting in concert with it (including Trinity Gate)).

# Principal terms of the Offer

Kingston Securities will make the Offer for and on behalf of the Offeror in compliance with the Takeovers Code on the following terms:

The Offer Price of HK\$0.87 per Offer Share is the same as the price per Sale Share payable by the Offeror under the Sale and Purchase Agreement.

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

# Confirmation of financial resources available for the Offer

The Offeror intends to finance the entire consideration payable under the Offer through the Offeror Facility provided by Kingston Securities. Kingston Corporate Finance, being the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the total consideration payable by the Offeror upon full acceptances of the Offer.

# INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 2.1 of the Takeovers Code, the Independent Board Committee comprising all the independent non-executive Directors, namely Ms. Ng Peck Hoon, Mr. Toh Soo Bock, Bob and Mr. Sim Choon Hong has been established to advise the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and whether the Offer is in the interests of the Independent Shareholders as a whole and as to its acceptance.

The Independent Financial Adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Offer and, in particular, as to whether the Offer is fair and reasonable and as to its acceptance.

# **COMPOSITE DOCUMENT**

It is the intention of the Offeror and the Company that the offer document from the Offeror and the offeree board circular from the Company be combined into a Composite Document. In accordance with Rule 8.2 of the Takeovers Code, the Composite Document containing, amongst other things: (i) details of the Offer (including the expected timetable); (ii) a letter of advice from the Independent Board Committee to the Independent Shareholders in relation to the Offer; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Offer, together with the relevant form of acceptance and transfer, are required to be despatched to the Shareholders within 21 days of the date of this joint announcement or such later 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 9:00 a.m. on 30 April 2018 pending the release of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 9 May 2018.

WARNING: Shareholders and potential investors of the Company should exercise extreme caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their professional advisers.

# COMPLETION OF THE ACQUISITION OF SALE SHARES IN THE COMPANY

The Company was informed by the Vendors that on 27 April 2018 (after trading hours of the Stock Exchange), the Offeror and Trinity Gate (as purchasers) and the Vendors (as vendors) entered into the Sale and Purchase Agreement in relation to the sale and purchase of an aggregate of 750,000,000 Sale Shares (representing approximately 72.29% of the entire issued share capital of the Company as at the date of this joint announcement) for the total consideration of HK\$652.5 million (equivalent to HK\$0.87 per Sale Share). Under the Sale and Purchase Agreement, (i) the Offeror has agreed to acquire 623,000,000 Shares, representing approximately 60.05% of the entire issued share capital of the Company as at the date of this joint announcement; and (ii) Trinity Gate has agreed to acquire 127,000,000 Shares, representing approximately 12.24% of the entire issued share capital of the Company as at the date of this joint announcement.

The consideration was determined after arm's length negotiation with reference to, amongst other things, the prevailing market price of the Company. Pursuant to the terms of the Sale and Purchase Agreement, neither the Offeror nor Trinity Gate is obliged to complete the purchase, nor are any of the Vendors obliged to complete the sale, of the Sale Shares unless the sale and purchase of all Share Shares is completed simultaneously. The consideration paid by the Offeror for the 623,000,000 Sale Shares under the Sale and Purchase Agreement was financed by its internal resources and the Offeror Facility provided by Kingston Securities which was secured by the Offeror Share Charges. The consideration paid by Trinity Gate for the 127,000,000 Sale Shares under the Sale and Purchase Agreement was financed by its internal resources and the Trinity Gate Facility provided by Kingston Securities which was secured by the Trinity Gate Share Charge. Completion took place on 7 May 2018.

As of the date of this joint announcement, one of the directors of the Offeror, Mr. Yao, is an angel investor of Canaan Creative Co., Ltd, the company in which Trinity Gate has approximately 0.2% shareholding interest. Save as disclosed above and the shareholding interest in the Company, the Offeror confirms that there are no other relationships between the Offeror, Trinity Gate and their respective ultimate beneficial owners.

### MANDATORY UNCONDITIONAL CASH OFFER

Immediately prior to Completion, the Offeror and the parties acting in concert with it (including Trinity Gate) did not hold, own, control or have direction over any voting rights or rights over Shares, convertible securities, warrants, options or derivatives of the Company. Immediately following Completion and as at the date of this joint announcement, the Offeror and the parties acting in concert with it (including Trinity Gate) are interested in an aggregate of 750,000,000 Shares, representing approximately 72.29% of the entire issued share capital of the Company as at the date of this joint announcement.

Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned or to be acquired by the Offeror and the parties acting in concert with it (including Trinity Gate)).

# Securities of the Company

As at the date of this joint announcement, the Company has 1,037,500,000 Shares in issue. Save as aforesaid, the Company does not have any securities (as defined in Note 4 to Rule 22 of the Takeovers Code).

# Principal terms of the Offer

Kingston Securities will make the Offer for and on behalf of the Offeror in compliance with the Takeovers Code on the following terms:

For each Offer Share ...... HK\$0.87 in cash

The Offer Price of HK\$0.87 per Offer Share is the same as the price per Sale Share payable by the Offeror under the Sale and Purchase Agreement.

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

# Comparison of value

The Offer Price of HK\$0.87 per Offer Share represents:

- (i) a discount of approximately 12.12% to the closing price of HK\$0.99 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 4.19% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day of HK\$0.908 per Share;
- (iii) a premium of approximately 278.26% over the audited consolidated net asset value attributable to the owners of the Company of approximately HK\$0.23 per Share (based on a total of 1,037,500,000 Shares in issue as at the date of this joint announcement and the consolidated net asset value of the Group of S\$40,444,122 (equivalent to approximately HK\$241 million) as at 31 March 2017, being the date to which the latest published audited financial results of the Group were made up); and
- (iv) a premium of approximately 222.22% over the unaudited consolidated net asset value attributable to the owners of the Company of approximately HK\$0.27 per Share (based on a total of 1,037,500,000 Shares in issue as at the date of this joint announcement and the consolidated net asset value of the Group of S\$46,873,579 (equivalent to approximately HK\$279 million) as at 30 September 2017, being the date to which the latest published unaudited financial results of the Group were made up).

# **Highest and lowest Share prices**

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the period commencing six months preceding the commencement of the offer period (as defined under the Takeovers Code) and up to the date of this joint announcement, were HK\$0.99 per Share (on 27 April 2018) and HK\$0.35 per Share (on 16 November 2017), respectively.

## Total consideration of the Offer

Based on the Offer Price of HK\$0.87 per Offer Share and the 1,037,500,000 Shares in issue as at the date of this joint announcement, of which 750,000,000 Shares are already owned by the Offeror and parties acting in concert with it (including Trinity Gate) as at the date of this joint announcement, 287,500,000 Shares will be subject to the Offer (assuming there is no change to the issued share capital of the Company from the date of this joint announcement up to the close of the Offer), and based on the Offer Price of HK\$0.87 per Offer Share and on the basis of full acceptance of the Offer, the cash consideration payable by the Offeror under the Offer will amount to approximately HK\$250 million.

#### Confirmation of financial resources available for the Offer

The Offeror intends to finance the entire consideration payable under the Offer by the Offeror Facility provided by Kingston Securities.

Kingston Corporate Finance, being the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the total consideration payable by the Offeror under the Offer.

On the date of the Sale and Purchase Agreement, the Offeror has entered into the Offeror Facility Agreement in connection with the Offeror Facility, and the Offeror has entered into the Offeror Share Charges in favour of Kingston Securities. The Offeror confirms the payment of interest on, repayment of or security for any existing liability (contingent or otherwise) in relation to the Offeror Facility will not depend on the business of the Company to any significant extent.

## Effect of accepting the Offer

Acceptance of the Offer by any Independent Shareholder will constitute a warranty by such person to the Offeror that all Offer Shares to be sold by such person under the Offer are fully paid and free from all liens, charges, options, claims, encumbrances, adverse interests, pre-emptive rights and all third party rights of any nature, and will be sold together with all rights attached thereto as at the date on which the Offer is made and any rights subsequently attaching thereto, including the right to receive all dividends and other distributions recommended or declared, if any, paid or made on or after the date on which the Offer is made, being the date of the Composite Document.

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

## Stamp duty

The seller's Hong Kong ad valorem stamp duty payable by the Independent Shareholders who accept the Offer and calculated at a rate of 0.1% of the higher of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, will be deducted from the amount payable by the Offeror to such person on acceptance of the Offer.

The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Independent Shareholders who accept the Offer and pay the buyer's Hong Kong 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).

#### Settlement

Settlement of the considerations for the Offer Shares will be made in cash as soon as possible but in any event within seven Business Days of the date on which the duly completed acceptances of the Offer and the relevant documents of title in respect of such acceptances are received by the Offeror (or their agent acting on behalf of them) to render each such acceptance complete and valid pursuant to the Takeovers Code.

#### Taxation advice

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

## **Overseas Shareholders**

The availability of the Offer to persons who are not residents in Hong Kong or who have registered addresses outside Hong Kong may be affected by the applicable laws of the relevant jurisdiction in which they reside. Overseas Shareholders and Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should fully observe all applicable legal or regulatory requirements and, where necessary, seek their own legal advice. 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 therewith (including the obtaining of any governmental, exchange control or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer of other taxes due by such accepting Overseas Shareholders in respect of such jurisdiction).

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. The Overseas Shareholders should consult their professional advisers in case of any doubt.

### INFORMATION ON THE OFFEROR

The Offeror is an investment holding company incorporated in the BVI with limited liability which is owned as to 51% by Great Scenery and 49% by Emperor Grand.

Mr. Yao Yongjie (姚勇杰) ("**Mr. Yao**") is the sole ultimate beneficial owner and director of Great Scenery as at the date of this joint announcement. Mr. Zhu Guangping (朱廣平) ("**Mr. Zhu**") is the sole ultimate beneficial owner and director of Emperor Grand as at the date of this joint announcement.

The directors of the Offeror are Mr. Yao and Mr. Zhu.

Mr. Yao graduated from Huanan University with a Degree in Architecture and was involved in a number of real estate projects. Mr. Yao is currently the chairman of a private equity investment company, Hangzhou Tunlan Investment Management Co., Ltd, the chairman of an investment holding company, Hangzhou Grand Shores Investment Management Co., Ltd which focuses in blockchain and artificial intelligence related investments and also an angel investor of Canaan Creative Co., Ltd which is principally engaged in development, design and sales of application specific integrated circuits and related equipment. He is also the president of the Zhejiang Grand Shores Blockchain Industrial Development Institute. Mr. Yao is a famous investor in the blockchain industry and has successfully invested in a few world-leading blockchain companies, such as Canaan Creative Co., Ltd, and has broad influence and appeal in the industry. In 2018, Mr. Yao is one of the founders of Grand Shores Global Blockchain Ten-Billion Innovation Fund.

Mr. Zhu is currently the chairman of CDFG (Shenzhen) Duty Free Merchandise Co., Ltd, and CDFG (Zhuhai) Duty Free Merchandise Co., Ltd, which are retailers of duty free consumer products.

## DEALING AND INTERESTS IN THE COMPANY'S SECURITIES

Save for the transactions under the Sale and Purchase Agreement, none of the Offeror and parties acting in concert with it (including Trinity Gate, Timeness Vision and Mr. Teng Rongsong) has dealt in or owned any Shares, warrants, options, derivatives or other securities convertible into Shares during the period commencing six months preceding the commencement of the offer period (as defined under the Takeovers Code), i.e. the date of this joint announcement.

As at the date of this joint announcement,

- (i) save for the Sale Shares, none of the Offeror and parties acting in concert with it (including Trinity Gate, Timeness Vision and Mr. Teng Rongsong) holds, owns or has control or direction over any voting rights or rights over Shares or convertible securities, warrants, options or derivatives of the Company;
- (ii) there is no outstanding derivative in respect of securities in the Company which is owned, controlled or directed by, or has been entered into by the Offeror, and/or any person acting in concert with it (including Trinity Gate, Timeness Vision and Mr. Teng Rongsong);
- (iii) none of the Offeror and parties acting in concert with it (including Trinity Gate, Timeness Vision and Mr. Teng Rongsong) has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company;

- (iv) save for the Sale and Purchase Agreement, the Offeror Facility Agreement and the Offeror Share Charges, there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of the Offeror and Trinity Gate or the Shares which might be material to the Offer;
- (v) there is no agreement or arrangement to which the Offeror or parties acting in concert with it (including Trinity Gate, Timeness Vision and Mr. Teng Rongsong) is a party which relates to circumstances in which it may or may not invoke or seek to invoke a precondition or condition to the Offer;
- (vi) none of the Offeror and parties acting in concert with it (including Trinity Gate, Timeness Vision and Mr. Teng Rongsong) has received any irrevocable commitment(s) to accept or reject the Offer;
- (vii) save for the consideration payable under the Sale and Purchase Agreement, there is no other consideration in whatever form paid or payable by the Offeror, its nominees, representatives and concert parties (including Trinity Gate, Timeness Vision and Mr. Teng Rongsong) to the Vendors and their respective ultimate beneficial owners, concert parties, nominees and representatives; and
- (viii) save for the Sale and Purchase Agreement, there was no agreement, arrangement, or understanding between the Offeror and parties acting in concert with it (including Trinity Gate, Timeness Vision and Mr. Teng Rongsong) and any Directors, recent Directors, Shareholders or recent Shareholders having any connection with or dependence upon the Offer.

## SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company immediately prior to and upon Completion:

			Immediately upo and as a	•
Shareholders	Immediately prior t	to Completion	date of this joint announcement	
		%		%
	Number of Shares	approximately	Number of Shares	approximately
Ruiheng Global	520,000,000	50.12	_	_
Metro Win	230,000,000	22.16	_	_
The Offeror and parties acting in concert				
with it (excluding Trinity Gate)	_	_	623,000,000	60.05
Trinity Gate	_	_	127,000,000	12.24
Other Shareholders	287,500,000	27.71	287,500,000	27.71
Total	1 027 500 000	100.00	1 027 500 000	100.00
Total	1,037,500,000	100.00	1,037,500,000	100.00

### INFORMATION ON THE GROUP

The Company is incorporated in the Cayman Islands with limited liability, the Shares of which are currently listed on the Stock Exchange (stock code: 1647). The Company is an investment holding company and the principal activities of its operating subsidiaries are providing integrated building services with a focus on maintenance and/or installations of mechanical and electrical systems including minor repairs and improvement works, and undertaking building and construction works in Singapore.

The following table sets out a summary of financial information of the Group:

	For the six months ended	For the yea	ır ended
	30 September	31 March	
	2017	2017	2016
	S\$	S\$	S\$
	(unaudited)	(audited)	(audited)
Revenue	25,212,890	46,822,435	40,504,968
Profit before tax	2,279,131	5,885,382	6,887,783
Profit and other comprehensive income	1,851,633	4,688,570	5,618,115
		As at	As at
		30 September	31 March
		2017	2017
		S\$	S\$
		(unaudited)	(audited)
Total equity attributable to owners of the Company		46,873,579	40,444,122

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

The Offeror recognises the potential merits of combining, on the one hand, the civil, mechanical and electrical engineering expertise of the Group with, on the other hand, Mr. Yao's experience in blockchain technologies.

Upon completion of the Offer, while continuing the principal business of the Group, the Offeror will assist the Group in reviewing its existing capabilities and resources for the purpose of developing detailed business plans, strategies or to tap into new business opportunities. The Offeror intends to leverage on Mr. Yao's experience and knowledge to extend the Group's capabilities towards high-end specialist services, such as design and construction, operation and maintenance and management of data centres and other high performance data processing facilities and equipment in relation to blockchain technologies.

Save for the proposed change in Board composition of the Company (details of which will be disclosed in the Composite Document), the Offeror has no intention to terminate the employment of any employees of the Group or to make material changes to the employment of the employees of the Group, nor to cease any existing businesses of the Group or to dispose or re-allocate any material assets of the Group (other than in the ordinary and usual course of business of the Group) as at the date of this joint announcement.

### MAINTAINING THE LISTING STATUS OF THE COMPANY

The Offeror intends the issued Shares to remain listed on the Stock Exchange upon the close of the Offer.

Pursuant to the Listing Rules, if, at the closing of the Offer, less than 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 will consider exercising its discretion to suspend trading in the Shares until a level of sufficient public float is attained.

The Offeror will undertake to the Stock Exchange to take appropriate steps as soon as possible following the close of the Offer to ensure that sufficient public float exists in the Shares after the close of the Offer.

# INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 2.1 of the Takeovers Code, the Independent Board Committee comprising all the independent non-executive Directors, namely Ms. Ng Peck Hoon, Mr. Toh Soo Bock, Bob and Mr. Sim Choon Hong has been established to advise the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and whether the Offer is in the interests of the Independent Shareholders as a whole and as to its acceptance.

The Independent Financial Adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Offer and, in particular, as to whether the Offer is fair and reasonable and as to its acceptance.

# **COMPOSITE DOCUMENT**

It is the intention of the Offeror and the Company that the offer document from the Offeror and the offeree board circular from the Company be combined into a Composite Document. In accordance with Rule 8.2 of the Takeovers Code, the Composite Document containing, amongst other things: (i) details of the Offer (including the expected timetable); (ii) a letter of advice from the Independent Board Committee to the Independent Shareholders in relation to the Offer; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Offer, together with the relevant form of acceptance and transfer, are required to be despatched to the Shareholders within 21 days of the date of this joint announcement or such later date as the Executive may approve.

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

#### DEALINGS DISCLOSURE

In accordance with Rule 3.8 of the Takeovers Code, associates of the Company and the Offeror (as defined under the Takeovers Code, including persons holding 5% or more of a class of relevant securities issued by the Company or the Offeror) are hereby reminded to disclose their dealings in any securities of the Offeror and the Company pursuant to Rule 22 of the Takeovers Code. In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

# "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."

# WARNING

The Directors make no recommendation as to the fairness or reasonableness of the Offer or as to the acceptance of the Offer in this joint announcement, and strongly recommend the Independent Shareholders not to form a view on the Offer unless and until they have received and read the Composite Document, including the recommendations of the Independent Board Committee in respect of the Offer and a letter of advice from the Independent Financial Adviser.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

## RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 30 April 2018 pending the release of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 9 May 2018.

## **DEFINITIONS**

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

"acting in concert" has the meaning ascribed thereto under the Takeovers Code "associate(s)" has the meaning ascribed thereto under the Takeovers Code "Board" the board of Directors "Business Day(s)" a day on which the Stock Exchange is open for the transaction of business "BVI" the British Virgin Islands "Company" SHIS Limited (stock code: 1647), a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange "Completion" the completion of the Sale and Purchase Agreement, which took place on 7 May 2018 "Composite Document" the composite offer and response document to be jointly issued by the Offeror and the Company in accordance with the Takeovers Code containing, among other things, details of the Offer, the recommendation from the Independent Board Committee to the Independent Shareholders and the advice from the Independent Financial Adviser to the Independent Board Committee in respect of the Offer "Director(s)" the director(s) of the Company "Executive" the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director "Emperor Grand" Grand International Limited, Emperor company incorporated in the BVI with limited liability which is

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wholly and ultimately owned by Mr. Zhu Guangping (朱廣

"Great Scenery"

Great Scenery Ventures Limited, a company incorporated in the BVI with limited liability which is wholly and ultimately owned by Mr. Yao Yongjie (姚勇傑)

"Group"

the Company and its subsidiaries from time to time

"Hong Kong"

the Hong Kong Special Administrative Region of the People's Republic China

"Independent Board Committee"

an independent committee of the Board comprising all independent non-executive Directors established for the purpose of advising 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

"Independent Financial Adviser"

an independent financial adviser to be appointed for the purpose of advising the Independent Board Committee and the Independent Shareholders in respect of the terms of the Offer and as to their acceptance

"Independent Shareholders"

the Shareholders other than the Offeror and parties acting in concert with it (including Trinity Gate)

"Kingston Corporate Finance"

Kingston Corporate Finance Limited, a corporation licensed by the SFC to conduct Type 6 (advising on corporate finance) regulated activity under the SFO, being the financial adviser to the Offeror in respect of the Offer

"Kingston Securities"

Kingston Securities Limited, a corporation licensed by the SFC to conduct Type 1 (dealing in securities) regulated activity under the SFO, being the agent making the Offer on behalf of the Offeror

"Last Trading Day"

27 April 2018, being the last trading day of the Shares on the Stock Exchange prior to the halt of trading in the Shares prior to the release of this joint announcement

"Listing Rules"

the Rules Governing the Listing of Securities on the Stock Exchange

"Metro Win"

Metro Win Investment Holdings Limited, a company incorporated in the BVI with limited liability which is wholly owned by Ms. Cheung Tsui Ling

"Offer"

the mandatory unconditional cash offer to be made by Kingston Securities on behalf of the Offeror to acquire the Offer Shares "Offeror"

Morgan Hill Holdings Limited, a company incorporated in the BVI with limited liability, which is owned as to 51% by Great Scenery and as to 49% by Emperor Grand

"Offeror Facility"

a loan facility of up to HK\$593 million granted by Kingston Securities as lender to the Offeror as borrower in accordance with the terms of the Offeror Facility Agreement for financing the acquisition of 623,000,000 Sale Shares and the Offer

"Offeror Facility Agreement"

the loan facility agreement entered into between Kingston Securities as lender and the Offeror as borrower dated 27 April 2018 in relation to the Offeror Facility

"Offeror Share Charge(s)"

collectively, (i) the share charge entered into between Kingston Securities as chargee and the Offeror as chargor dated 27 April 2018 whereby the Offeror has agreed to charge to Kingston Securities as security for the Offeror Facility all of the Sale Shares owned by the Offeror upon Completion; and (ii) the share charge entered into between Kingston Securities as chargee and the Offeror as chargor dated 27 April 2018 whereby the Offeror has agreed to charge to Kingston Securities as security for the Offeror Facility the Shares to be acquired by the Offeror

"Offer Price"

HK\$0.87 per Offer Share

"Offer Share(s)"

all the issued Shares (other than those already owned or to be acquired by the Offeror and parties acting in concert with it (including Trinity Gate))

"Overseas Shareholders"

Independent Shareholders whose addresses as shown on the register of members of the Company are outside Hong Kong

"Ruiheng Global"

Global Investments Limited, Ruiheng company incorporated in the BVI with limited liability which is owned as to 90% by Mr. Chua Seng Hai (an executive Director) and as to 10% by Ms. Bek Poi Kiang

"Sale and Purchase Agreement"

the sale and purchase agreement dated 27 April 2018 entered into, amongst other things, the Offeror and Trinity Gate (as purchasers) and the Vendors in relation to the sale and purchase of the Sale Shares

"Sale Share(s)"

an aggregate of 750,000,000 Shares acquired by the Offeror and Trinity Gate from the Vendors pursuant to the terms of

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)" the ordinary share(s) of HK\$0.01 each in the share capital

of the Company

"Shareholder(s)" holder(s) of the issued Share(s)

"Singapore" the Republic of Singapore

"Stock Exchange" The Stock Exchange of Hong Kong Limited

"Takeovers Code" The Hong Kong Code on Takeovers and Mergers

"Timeness Vision" Timeness Vision Limited a company incorporated in the

BVI with limited liability, which is wholly and ultimately

owned by Mr. Teng Rongsong (滕榮松)

"Trinity Gate" Trinity Gate Limited, a company incorporated in the BVI

with limited liability, which is wholly-owned by Timeness

Vision

"Trinity Gate Facility" a loan facility granted by Kingston Securities as lender to

Trinity Gate as borrower in accordance with the terms of the Trinity Gate Facility Agreement for financing the

acquisition of 127,000,000 Sale Shares

"Trinity Gate Facility

Agreement"

the loan facility agreement entered into between Kingston Securities as lender and Trinity Gate as borrower dated 27

April 2018 in relation to the Trinity Gate Facility

"Trinity Gate Share Charge" the share charge entered into between Kingston Securities as

chargee and Trinity Gate as chargor dated 27 April 2018 whereby Trinity Gate has agreed to charge to Kingston Securities as security for the Trinity Gate Facility all of the

Sale Shares owned by Trinity Gate upon Completion

"Vendors" collectively, Ruiheng Global and Metro Win, being the

vendors of the Sale Shares under the Sale and Purchase

Agreement

"HK\$" Hong Kong dollars, the lawful currency of Hong Kong

"S\$" Singapore dollars, the lawful currency of Singapore

"%" per cent.

By order of the board of directors

Morgan Hill Holdings Limited

Yao Yongjie

Director

By order of the Board
SHIS Limited
Chua Seng Hai
Chairman and Executive Director

Hong Kong, 8 May 2018

As at the date of this joint announcement, the directors of the Offeror are Mr. Yao Yongjie and Mr. Zhu Guangping.

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

As at the date of this joint announcement, the Board comprises Mr. Chua Seng Hai and Mr. Lim Kai Hwee as executive Directors; and Ms. Ng Peck Hoon, Mr. Toh Soo Bock, Bob and Mr. Sim Choon Hong (Shen Junfeng) as independent non-executive Directors.

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

For the purpose of illustration only and unless otherwise stated, conversion of S\$ into HK\$ in this joint announcement is based on the exchange rate of S\$1 to HK\$5.96. Such conversion should not be construed as a representation that any amount has been, could have been, or may be, exchanged at these rates or any other rates.