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LETTER FROM THE BOARD

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**i-CONTROL HOLDINGS LIMITED**

**超智能控股有限公司**

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

(Stock Code: 8355)

*Executive Directors:*

Mr. Tong Sai Wong (*Chairman*)

Mr. Chan Wing Yiu

Mr. Chan Wing Lun

*Registered office in the Cayman Islands:*

Estera Trust (Cayman) Limited

Clifton House, 75 Fort Street

Grand Cayman KY1-1108

Cayman Islands

*Non-executive Directors:*

Dr. Wong King Keung

Mr. Lin Wing Ching

*Headquarters and principal place*

*of business in Hong Kong:*

Units A&B, 12/F, MG Tower

133 Hoi Bun Road, Kwun Tong

Kowloon, Hong Kong

*Independent Non-executive Directors:*

Dr. Chan Man Hung

Dr. Lai Wing Chueng

Mr. Lum Pak Sum

16 November 2017

*To the Shareholders*

Dear Sir/Madam,

**UNCONDITIONAL MANDATORY CASH OFFER BY  
CENTRAL CHINA INTERNATIONAL CAPITAL LIMITED  
FOR AND ON BEHALF OF PHOENIX TIME HOLDINGS LIMITED  
FOR ALL THE ISSUED SHARES IN  
i-CONTROL HOLDINGS LIMITED (OTHER THAN THOSE  
ALREADY OWNED BY THE OFFEROR AND  
PARTIES ACTING IN CONCERT WITH IT)**

**INTRODUCTION**

Reference is made to the Joint Announcement.

On 6 October 2017 (after trading hours of the Stock Exchange), the Offeror and the Vendors entered into the Sale and Purchase Agreement pursuant to which the Offeror agreed to acquire, and the Vendors agreed to sell the Sale Shares, being 600,000,000 Shares (representing 60.00% of the entire issued share capital of the Company as at the date of the Joint Announcement). Immediately after completion of the Sale and Purchase Agreement, save that Dr. Wong King Keung was interested in 150,000,000 Shares (representing 15.00% of the issued share capital of the Company as at the date of the Joint Announcement), the Vendors ceased to be interested in any Shares.

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The aggregate consideration for the Sale Shares is HK\$216,000,000 (representing HK\$0.36 per Sale Share) which was agreed among the Offeror and the Vendors after arm's length negotiations. Completion took place immediately following the execution of the Sale and Purchase Agreement on 6 October 2017.

Immediately after Completion and as at the Latest Practicable Date, the Offeror and parties acting in concert with it were interested in 600,000,000 Shares, representing 60.00% of the entire issued share capital of the Company.

Pursuant to Rule 26.1 of the Takeovers Code the Offeror is required to make an unconditional mandatory general offer in cash for all the issued Shares other than those already owned by the Offeror and parties acting in concert with it.

The purpose of this letter is to provide you with, among other things, information relating to the Company and the Offer and to set out the letter from the Independent Board Committee containing its recommendation to the Independent Shareholders in respect of the terms of the Offer and as to acceptance and the letter from the Independent Financial Adviser containing their advice to the Independent Board Committee and the Independent Shareholders in respect of the terms of the Offer and as to acceptance of the Offer.

### **THE OFFER**

The following information about the Offer is extracted from the "Letter from CCIC" contained in this Composite Document.

CCIC is making the Offer for and on behalf of the Offeror in compliance with the Takeovers Code on the following terms:

For each Offer Share . . . . . HK\$0.36 in cash

The Offer is unconditional in all respects. The Offer Price of HK\$0.36 per Offer Share is the same as the price per Sale Share payable by the Offeror under the Sale and Purchase Agreement.

The Offer Shares to be acquired under the Offer will be fully paid and free from all liens, claims and Encumbrances together with all rights attached thereto, including, but not limited to, all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of the despatch of this Composite Document, or subsequently attached to them.

### **Further details of the Offer**

Further details of the Offer, including, among other things, its extension to the Overseas Shareholders, information on taxation, the terms and conditions and the procedures for acceptance and settlement and acceptance period are set out in the "Letter from CCIC" in, and Appendix I to, this Composite Document and the Form of Acceptance.

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### INFORMATION ON THE GROUP

The Company is a company incorporated in the Cayman Islands with limited liability, the Shares of which are currently listed on GEM (stock code: 8355). The Group is principally engaged in the provision of (i) solution for audiovisual, conferencing, presentation and multimedia control systems including installation services; and (ii) audio-visual system maintenance services.

Financial and general information in relation to the Group are set out in Appendices II and III to this Composite Document.

### SHAREHOLDING STRUCTURE OF THE GROUP

The following table sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately after the completion of the Offer (assuming all Independent Shareholders accepting the Offer); and (iii) immediately after the completion of the Offer (assuming the there is no Independent Shareholder accepting the Offer):

Shareholders	(i) As at the Latest Practicable Date		(ii) Immediately after the completion of the Offer (assuming all Independent Shareholders accepting the Offer)		(iii) Immediately after the completion of the Offer (assuming there is no Independent Shareholder accepting the Offer)	
	<i>Percentage</i>		<i>Percentage</i>		<i>Percentage</i>	
	<i>Number of Shares held</i>	<i>of Shares in issue (%)</i>	<i>Number of Shares held</i>	<i>of Shares in issue (%)</i>	<i>Number of Shares held</i>	<i>of Shares in issue (%)</i>
The Offeror and parties acting in concert with it	600,000,000	60.00	1,000,000,000	100.00 (Note 2)	600,000,000	60.00
Dr. Wong King Keung and parties acting in concert with him (Note 1)	150,000,000	15.00	–	–	150,000,000	15.00
Public Shareholders	250,000,000	25.00	–	–	250,000,000	25.00
<b>Total</b>	<b>1,000,000,000</b>	<b>100.00</b>	<b>1,000,000,000</b>	<b>100.00</b>	<b>1,000,000,000</b>	<b>100.00</b>

*Note:*

1. Dr. Wong King Keung is a non-executive Director.
2. In the event that the public float of the Company falls below 25% immediately after the close of the Offer, the Company may make an application with the Stock Exchange for a temporary waiver from strict compliance with Rule 11.23(7) of the GEM Listing Rules for a certain period commencing from the date of closing of the Offer (the "Period"). The Company will take appropriate steps, including, but not limited, to the engagement of a placing agent to place such number of Shares to other independent third parties not connected with the Company or any of its connected persons, to restore the required minimum public float as early as practicable and in any event no later than the end of the Period. Further announcement(s) will be made by the Company regarding the restoration of public float in due course.

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### INTENTION OF THE OFFEROR REGARDING THE GROUP

Your attention is drawn to the paragraphs headed “Information of the Offeror” and “The Offeror’s intention on the Group” in the “Letter from CCIC” set out in this Composite Document. The Board is aware of the intention of the Offeror in respect of the Company and is willing to render reasonable co-operation with the Offeror which is in the interests of the Company and the Shareholders as a whole.

### PROPOSED CHANGE OF BOARD COMPOSITION OF THE COMPANY

As at Latest Practicable Date, the executive Directors are Mr. Tong Sai Wong, Mr. Chan Wing Yiu, Mr. Chan Wing Lun; the non-executive Directors are Dr. Wong King Keung and Mr. Lin Wing Ching; and the independent non-executive Directors are Dr. Chan Man Hung, Dr. Lai Wing Chueng and Mr. Lum Pak Sum.

Mr. Lin Wing Ching, Dr. Chan Man Hung and Dr. Lai Wing Chueng have resigned as Directors, with effect from the Closing Date. Furthermore, Mr. Tong Sai Wong has resigned as chairman of the Company, with effect from the Closing Date.

The Offeror has nominated, and the Board has approved, Mr. Zhong, Mr. Yau Wing Keung, Mr. Lai Hing Kwong, Joseph, Mr. Fung Chan Man, Alex and Mr. Fong Chi to be appointed as Directors, among whom Mr. Zhong and Mr. Yau Wing Keung to be appointed as executive Directors, Mr. Lai Hing Kwong, Joseph, Mr. Fung Chan Man, Alex and Mr. Fong Chi to be appointed as independent non-executive Directors, and Mr. Zhong to be appointed as chairman of the Board, with effect from the Closing Date. Such appointments to the Board will be made in compliance with the Takeovers Code and the GEM Listing Rules, and will be disclosed by way of an announcement in accordance with the GEM Listing Rules.

The biographies of the new executive Directors and the new independent non-executive Directors are set out below:

**Mr. Zhong**, aged 54, is an experienced investor in various businesses in both Hong Kong and PRC. He has more than 15 years of working experience in property development and in investment business. Mr. Zhong founded Guangdong Puxun Industry Investment Company Limited\* (廣東普迅實業投資有限公司), a company principally engaged in industrial investments, investment management, marketing planning, trade and commerce information consulting and business management consulting and Foshan Xingpu Investment Company Limited\* (佛山市興普投資有限公司), a company principally engaged in industrial investments, investment management, domestic trading, marketing planning and commodities information consulting.

Mr. Zhong also acts as the honorable chairman of the board of Nenking Holdings Group Company Limited\* (能興控股集團有限公司), a company which, together with its subsidiaries and affiliates, is principally engaged in property development, property management, financial services, pharmaceutical, sports and cultural, trading and procurement services and investment holding, and the chairman of Long Lions Basketball Club Co., Ltd.\* (龍獅籃球俱樂部股份有限公司) (NEEQ stock code: 871888).

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Mr. Zhong obtained a master's degree in management in 2005 and subsequently a doctorate degree in industrial economics in 2008, both from Jinan University.

**Mr. Yau Wing Keung**, aged 58, obtained a bachelor's degree in social sciences from the University of Hong Kong in 1983. He has over 30 years of working experience in investment banking and financial management across Asia Pacific Region.

**Mr. Lai Hing Kwong, Joseph**, aged 60, obtained an honours degree in management studies and economics from the University of Hong Kong in 1981 and subsequently a MBA degree from University of Toronto in 1993. He has over 35 years of working experience in corporate and merchant banking, corporate finance and direct investments.

**Mr. Fung Chan Man, Alex**, aged 55, obtained a BSc (Hons) degree in electrical and electronic engineering from the University of Bath in 1986 and subsequently a MBA degree from Heriot-Watt University. He has over 15 years of working experience in financial market and corporate finance activities in both Hong Kong and China. Currently, Mr. Fung is the independent non-executive director of E-Kong Group Limited (stock code: 524), Luxey International (Holdings) Limited (stock code: 8041) and On Real International Holdings Limited (stock code: 8245).

**Mr. Fong Chi**, aged 33, obtained a bachelor's degree of business administration from the University of Hong Kong in 2006. He has in total over 10 years of working experience in an international accounting firm and in a corporate finance role in a Hong Kong technology company, with extensive experience in financial reporting, auditing, mergers and acquisitions and initial public offerings. Currently, Mr. Fong is a member of the Hong Kong Institute of Certified Public Accountants.

\* *English names for identification purposes only*

### MAINTAINING THE LISTING STATUS OF THE COMPANY

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25%, of the 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) that there are insufficient Shares in public hands to maintain an orderly market,

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

According to the "Letter from CCIC", the Offeror intends for the Company to remain listed on the Stock Exchange. The directors of the Offeror and the new directors to be appointed to the Board of the Company will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Company's shares. In the event that the public float of the Company falls below 25% immediately after the close of the Offer, the Company may make an application with the Stock Exchange for a temporary waiver from strict compliance with Rule 11.23(7) of the GEM Listing Rules for a certain period commencing from the date of closing of the Offer.

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### RECOMMENDATIONS

Your attention is drawn to (i) the letter from the Independent Board Committee as set out on pages 23 to 24 of this Composite Document, which contains its advice and recommendations to the Independent Shareholders in respect of the Offer; and (ii) the letter from the Independent Financial Adviser set out on pages 25 to 44 of this Composite Document, which contains its advice to the Independent Board Committee in relation to the Offer and the principal factors considered by it before arriving at its recommendations.

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information contained in the appendices to this Composite Document. You are also recommended to read carefully “Further terms and procedures of acceptance of the Offer” set out in Appendix I to this Composite Document and the accompanying Form of Acceptance for further details in respect of the procedures for acceptance of the Offer.

By order of the board of directors of  
**i-Control Holdings Limited**  
**Tong Sai Wong**  
*Chairman*

