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SKYWORTH

SKYWORTH GROUP LIMITED

創維集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 00751)

**CONDITIONAL CASH OFFER
BY CLSA LIMITED ON BEHALF OF
SKYWORTH GROUP LIMITED
TO BUY-BACK UP TO 100,000,000 SHARES**

APPLICATION FOR WHITEWASH WAIVER

AND

**CONDITIONAL VERY SUBSTANTIAL ACQUISITION FOR
SKYWORTH GROUP LIMITED**

INCREASE OF OFFER PRICE

Financial Adviser to the Company



Reference is made to (i) the announcement of Skyworth Group Limited (the “**Company**”) dated 23 December 2022 in relation to, among other things, the Offer, the Whitewash Waiver and the PRC MGO (the “**Rule 3.5 Announcement**”); (ii) the announcement issued by the Company dated 12 January 2023 in relation to, among other things, the delay in despatch of the Offer Document; and (iii) the announcements issued by the Company dated 12 February 2023 and 12 March 2023 in relation to, among other things, the monthly update on the status and progress in connection with the Offer and the despatch of the Offer Document. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Rule 3.5 Announcement.

INCREASE OF OFFER PRICE

As disclosed in the Rule 3.5 Announcement, the Offer will be made by CLSA Limited on behalf of the Company to buy-back for cancellation, subject to the Conditions, up to the Maximum Number, being 100,000,000 Shares, representing approximately 3.87% of the issued Shares as at the date of this announcement, at the Offer Price of HK\$3.8 per Share.

The Offer Price

The Company wishes to increase the Offer Price from HK\$3.8 per Share to HK\$5.0 per Share (the “**Revised Offer Price**”), representing an increase of HK\$1.2 per Share.

The Revised Offer Price of HK\$5.0 per Share values the entire issued share capital of the Company as at the date of this announcement at approximately HK\$12,926.0 million.

The Revised Offer Price represents:

- a premium of approximately 58.23% over the closing price of the Shares of HK\$3.16 as quoted on the Stock Exchange on the Last Trading Day;
- a premium of approximately 39.28% over the closing price of HK\$3.59 per Share as quoted on the Stock Exchange on 28 March 2023 (the “**Pre-Revision Last Trading Day**”), being the last trading day prior to the issue of this announcement;
- a premium of approximately 33.40% over the average closing price of the Shares of approximately HK\$3.75 as quoted on the Stock Exchange for the last 5 trading days up to and including the Pre-Revision Last Trading Day;
- a premium of approximately 29.27% over the average closing price of the Shares of approximately HK\$3.87 as quoted on the Stock Exchange for the last 10 trading days up to and including the Pre-Revision Last Trading Day;
- a premium of approximately 19.77% over the average closing price of the Shares of approximately HK\$4.17 as quoted on the Stock Exchange for the last 30 trading days up to and including the Pre-Revision Last Trading Day; and

- a discount of approximately 35.38% to the Group’s net asset value attributable to the Shareholders of approximately HK\$7.74 per Share pursuant to the latest audited consolidated financial statements of the Company as at 31 December 2022, calculated based on the audited consolidated net asset value attributable to the Shareholders of RMB17,867 million (based on the exchange rate of HK\$1:RMB0.89327, the central parity rate published by the People’s Bank of China on its website as at 30 December 2022 for illustrative purposes) as at 31 December 2022 and Shares in issue as at the date of this announcement.

The Company notes that the closing price of the Shares was HK\$3.16 per Share on the Last Trading Day and has increased to HK\$3.59 per Share on the Pre-Revision Last Trading Day. The Company believes the recent increase in the trading price of the Shares is largely incidental to the Offer and the Revised Offer Price provides an exit opportunity for the Shareholders at a premium over the prevailing market prices.

The Offer based on the Revised Offer Price is subject to the fulfilment of the Conditions, which are detailed in the Rule 3.5 Announcement. The Offer Document containing details of the Offer and other relevant information, together with Acceptance Form, will be despatched to the shareholders no later than 14 April 2023.

Save as the aforementioned change in Offer Price, the other terms of the Offer as set out in the Rule 3.5 Announcement remain unchanged. For the avoidance of doubt, the terms of the Whitewash Waiver and the terms of the PRC MGO remain unchanged.

Confirmation of Financial Resources

At the Revised Offer Price, the Offer, if accepted in full, will result in the Company paying HK\$500 million in aggregate to the Accepting Shareholders in cash which will be funded by internal resources of the Group.

CITIC Securities (Hong Kong) Limited (formerly known as CLSA Capital Markets Limited, which has changed its name to CITIC Securities (Hong Kong) Limited with effect from 28 December 2022), being the financial adviser to the Company, is satisfied that the Company has sufficient financial resources to enable it to satisfy acceptances of the Offer in full in accordance with the terms of the Offer stated in the Rule 3.5 Announcement and this announcement.

DEALINGS DISCLOSURE

In accordance with Rule 3.8 of the Takeovers Code, the associates (as defined under the Takeovers Code, including any person who owns or controls 5% or more of any class of relevant securities of the Company) of the Company are hereby reminded to disclose their dealings in the securities of the Company pursuant to 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 of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates 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: Shareholders and potential investors should note that the Offer is subject to all of the Conditions being fulfilled in full. Shareholders and potential investors are advised to exercise caution when dealing in the Shares and should consult their professional advisers when in doubt.

By order of the Board
Skyworth Group Limited
Shi Chi
Chief Executive Officer

Hong Kong, 28 March 2023

As at the date of this announcement, the Board of the Company comprises five executive Directors, namely Mr. Lin Jin (Chairman), Mr. Liu Tangzhi (Vice Chairman), Mr. Shi Chi (Chief Executive Officer), Ms. Lin Wei Ping and Mr. Lam Shing Choi, Eric; and three independent non-executive Directors, namely Mr. Li Weibin, Mr. Cheong Ying Chew, Henry and Mr. Hung Ka Hai, Clement.

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