

## DEED OF IRREVOCABLE UNDERTAKINGS

Date: 27 September 2024

To: GALAXY BOND HOLDINGS LIMITED (銀邦控股有限公司)  
(the "Offeror")

Dear Sirs,

**Proposal for the Privatisation of Doyen International Holdings Limited (the "Company") by the Offeror by way of scheme of arrangement under section 673 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the "Proposal")**

Reference is made to the announcement of the Company dated 2 September 2024 (the "Announcement") appended hereto (see "Annex"). Unless otherwise defined, capitalised terms used herein have the same meanings as defined in the Announcement.

1. We, the undersigned, are the holders of 140,000,000 Shares (representing approximately 10.99% of the issued share capital of the Company at the date hereof).
2. We refer to the Proposal. Details of the Proposal are set out in the Announcement.
3. We hereby irrevocably and unconditionally undertake to and confirm that:
  - (a) we shall exercise (or procure the registered owner(s) of the Shares (if applicable) to exercise (in person or via its proxy)) all voting rights attached to (i) the Shares held by us as at the date of this undertaking, and (ii) additional Shares which we beneficially own (or are otherwise able to control the exercise of all rights attached thereto, including procuring the transfer and voting) after the date of this undertaking (together, the "IU Shares") at the Court Meeting and the EGM to vote in favour of the relevant resolutions to approve the Proposal as set out in the Announcement;
  - (b) we shall not, and shall ensure that the registered holder(s) of the IU Shares (if applicable) not to, sell, transfer, charge all or any of the IU Shares or encumber, create or grant any option or lien over or otherwise dispose of (or permit any action to be taken in relation thereto) any IU Shares or any interest therein prior to the Court Meeting and the EGM;
  - (c) we shall not, and shall ensure that the registered registered holder(s) of the IU Shares (if applicable) not to, enter into any agreement or other document which would prevent us from exercising the voting rights in respect of the IU Shares in the resolutions relating to the Proposal in accordance with this undertaking;

- (d) we shall not take any action or make any statement which may delay, frustrate or otherwise render the Proposal ineffective, or which may otherwise be detrimental to the success of the Proposal; and
  - (e) we have full power and authority and the right (free from any legal or other restrictions), and will at all times continue to have all relevant power and authority and the right, to enter into or perform our obligations under this undertaking in accordance with its terms.
4. We consent to the issue of announcement(s), composite document(s) to all Shareholders containing details of the Proposal and other relevant document(s) with references to us and/or to this undertaking (including its contents) as the Offeror may reasonably require in order to comply with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Codes on Takeovers and Mergers and Share Buy-backs, and other applicable rules, laws and regulations.
  5. Our obligations under this undertaking shall terminate if (a) the Proposal lapses or is withdrawn (including if any of the Conditions are not fulfilled or (where applicable) waived on or before the Long Stop Date); or (b) the Offeror and ourselves mutually agree to terminate this undertaking it in writing.
  6. This undertaking shall be governed by and construed in accordance with Hong Kong law. We hereby irrevocably submit to the exclusive jurisdiction of the Hong Kong courts.

**IN WITNESS WHEREOF** this undertaking has been executed and is intended to be and is hereby delivered as a deed on the date first above written.



**Annex**  
**The Announcement**

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**GALAXY BOND HOLDINGS LIMITED**  
*(Incorporated in the British Virgin Islands*  
*with limited liability)*

**DOYEN INTERNATIONAL HOLDINGS LIMITED**  
**東銀國際控股有限公司**  
*(Incorporated in Hong Kong with limited liability)*  
*(Stock Code: 668)*

**JOINT ANNOUNCEMENT**

- (1) PROPOSAL FOR THE PRIVATISATION OF DOYEN INTERNATIONAL HOLDINGS LIMITED BY GALAXY BOND HOLDINGS LIMITED BY WAY OF A SCHEME OF ARRANGEMENT UNDER SECTION 673 OF THE COMPANIES ORDINANCE;**  
**(2) PROPOSED WITHDRAWAL OF LISTING OF DOYEN INTERNATIONAL HOLDINGS LIMITED;**  
**(3) ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE;**  
**(4) APPOINTMENT OF THE INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT BOARD COMMITTEE;**

**AND**

- (5) RESUMPTION OF TRADING**

**Financial Adviser to the Offeror**  
 **SOMERLEY CAPITAL LIMITED**

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



**INTRODUCTION**

Galaxy Bond (i.e. the Offeror), having a security interest over 785,373,018 Shares (representing approximately 61.64% of the issued share capital of the Company) held by the MS Shareholders (i.e. Money Success, Full Brilliant, Sino Consult, Mr. Lo and Ms. Chiu (each being one of the Offeror Concert Parties)), proposed to privatise the Company. In view of this, the Offeror and the Company jointly announce that, on 23 August 2024, the Offeror requested that the Board put forward the Proposal to the Scheme Shareholders for the privatisation of the Company by way of a scheme of arrangement under section 673 of the Companies Ordinance.

**TERMS OF THE PROPOSAL**

If the Proposal is approved and implemented:

- (a) all the Scheme Shares in issue on the Record Date will be cancelled and extinguished on the Effective Date in exchange for the Cancellation Price of HK\$0.350 in cash for each Scheme Share cancelled and extinguished pursuant to the Irrevocable Undertakings, each of the MS Shareholders has undertaken that (i) upon the Scheme being effective; and (ii) if the Offeror decides to set-off the Debt on a dollar-to-dollar basis with the sum equivalent to the Cancellation Price of HK\$0.350 for each MS Scheme Share cancelled and extinguished, each of the MS Shareholders shall agree to such alternative arrangement. Galaxy Bond (i.e. the Offeror) subsequently confirmed its intention to set-off the Debt);
- (b) on the Effective Date, the issued share capital of the Company will be reduced by the cancellation and extinguishment of the Scheme Shares in issue on the Record Date and, immediately after such cancellation, extinguishment and reduction, the issued share capital of the Company will be restored to the amount immediately prior to such cancellation, extinguishment and reduction by the issue by the Company to the Offeror of such number of new Shares (credited as fully-paid by applying the reserve created as a result of such cancellation, extinguishment and reduction) as is equal to the number of the Scheme Shares cancelled and extinguished on the Effective Date;
- (c) the Company will be owned as to 100.00% by Galaxy Bond and Mr. Xue in aggregate; and
- (d) the listing of the Shares on the Stock Exchange will be withdrawn from the Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules.

**Cancellation Price**

Under the Scheme, the Scheme Shares in issue on the Record Date will be cancelled and extinguished on the Effective Date and, in consideration thereof, each Scheme Shareholder will be entitled to receive the Cancellation Price of HK\$0.350 in cash for each Scheme Share cancelled and extinguished (save that pursuant to the Irrevocable Undertakings and Galaxy Bond's subsequent

confirmation, upon the Scheme being effective, the Offeror will set-off the Debt on a dollar-to-dollar basis with the sum equivalent to the Cancellation Price of HK\$0.350 for each MS Scheme Share cancelled and extinguished).

The Company:

- (a) has not announced or declared any dividend, distribution or return of capital which has not been made or which remains unpaid; and
- (b) does not intend to announce, declare, make or pay any dividend, distribution or return of capital on or before the Effective Date.

**The Offeror will not increase the Cancellation Price and does not reserve the right to do so. Shareholders and potential investors should be aware that, following the making of such statement, the Offeror will not be allowed to increase the Cancellation Price.**

**Shareholders and potential investors are advised to 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 stockbroker, bank manager, solicitor or other professional advisers.**

#### **CONDITIONS OF THE PROPOSAL**

The Proposal is, and the Scheme will become effective and binding on the Company and all the Scheme Shareholders, subject to the fulfilment or waiver (as applicable) of the following Conditions:

- (a) the approval of the Scheme at the Court Meeting (by way of a poll) by the holders of the Scheme Shares representing at least 75% of the voting rights of the holders of the Independent Scheme Shares present and voting, in person or by proxy, at the Court Meeting; and the votes cast (by way of a poll) against the Scheme at the Court Meeting not exceeding 10% of the total voting rights attached to all the Disinterested Shares, provided that:
  - (i) the Scheme is approved at the Court Meeting (by way of a poll) by at least 75% of the votes attaching to the Independent Scheme Shares that are cast either in person or by proxy at the Court Meeting; and
  - (ii) the number of votes cast (by way of a poll) against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all the Independent Scheme Shares;
- (b) the passing by the Shareholders at the EGM of:

- (i) a special resolution to approve and give effect to the reduction of the issued share capital of the Company on the Effective Date by the cancellation and extinguishment of the Scheme Shares in issue on the Record Date; and

- (ii) an ordinary resolution to approve and give effect to, immediately after such cancellation, extinguishment and reduction, the restoration of the issued share capital of the Company to the amount immediately prior to such cancellation, extinguishment and reduction by the issue by the Company to the Offeror of such number of new Shares (credited as fully-paid by applying the reserve created as a result of such cancellation, extinguishment and reduction) as is equal to the number of the Scheme Shares so cancelled and extinguished;

- (c) the sanction by the Court of the Scheme (with or without modification) under section 673 of the Companies Ordinance, the confirmation by the Court of the reduction of the issued share capital of the Company involved in the Scheme under section 229 of the Companies Ordinance, and the registration of a copy of the order of the Court by the Registrar of Companies under the Companies Ordinance;

- (d) the compliance with the procedural requirements of sections 230 and 231, and sections 673 and 674 of the Companies Ordinance in relation to the reduction of the issued share capital of the Company and the Scheme, respectively;

- (e) all the Approvals having been obtained, completed and/or made and remaining in full force and effect without modification or variation;

- (f) all the Applicable Laws having been complied with and no legal, regulatory or administrative requirement having been imposed by any Authority in any jurisdiction which is not expressly provided for, or is in addition to the legal, regulatory and administrative requirements which are expressly provided for, in the Applicable Laws in connection with the Proposal or the implementation of the Proposal (including the withdrawal of the listing of the Shares on the Stock Exchange) in accordance with its terms and conditions;

- (g) no Authority in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry (or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order), in each case, which would make the Proposal or the implementation of the Proposal (including the withdrawal of the listing of the Shares on the Stock Exchange) in accordance with its terms and conditions void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations in connection with the Proposal or the implementation of the Proposal (including the withdrawal of the listing of the Shares on the Stock Exchange) in accordance with its terms and conditions);

- (h) since the date of this announcement, there not having been instituted or remaining outstanding any litigation, arbitration proceeding, prosecution or other legal proceeding to which any member of the Group is a party (whether as plaintiff, defendant or otherwise) and no

litigation, arbitration proceeding, prosecution or other legal proceeding having been threatened in writing against any member of the Group (and no investigation by any Authority in any jurisdiction against or in respect of any member of the Group or the business carried on by any member of the Group having been threatened in writing, announced, instituted or remaining outstanding by, against or in respect of any member of the Group), in each case which is material and adverse in the context of the Group taken as a whole or in the context of the Proposal or the Scheme;

(i) since the date of this announcement, there having been no adverse change in the business, assets, prospects, profits, losses, results of operations, financial position or condition of the Group (to an extent which is material in the context of the Group taken as a whole or in the context of the Proposal or the Scheme);

(j) the implementation of the Proposal not resulting in, and no event or circumstance having occurred or arisen which would or might be expected to result in:

(i) any indebtedness (actual or contingent) of any member of the Group being or becoming repayable (or capable of being declared repayable) immediately or prior to its stated maturity or repayment date;

(ii) any agreement, arrangement, licence, permit or instrument to which any member of the Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject (or any of the rights, liabilities, obligations or interests of any member of the Group thereunder) being terminated or adversely modified (or any material obligation or liability on the part of any member of the Group arising in relation thereto); or

(iii) the creation or enforcement of any security interest over the whole or any part of the business, property or assets of any member of the Group or any such security (whenever arising) becoming enforceable which is material in the context of the Group taken as a whole or in the context of the Proposal or the Scheme; and

(k) save in connection with the implementation of the Proposal, the listing of the Shares on the Stock Exchange not having been withdrawn, and no indication having been received from the Executive and/or the Stock Exchange to the effect that the listing of the Shares on the Stock Exchange is or is likely to be withdrawn.

The Conditions set out in paragraphs (a) to (d) above are not waivable.

The Offeror reserves the right to waive, in whole or in part and generally or in respect of any particular matter:

(a) all or any of the Conditions set out in paragraphs (e) to (h) above to the extent that any such waiver would not render the Proposal or the implementation of the Proposal in accordance with its terms and conditions illegal; and

(b) all or any of the Conditions set out in paragraphs (i) to (k) above.

The Company does not have the right to waive any of the Conditions set out in paragraphs (a) to (k) above.

All of the Conditions set out in paragraphs (a) to (k) above must be fulfilled or waived, as applicable, on or before the Long Stop Date, failing which the Proposal and the Scheme will lapse.

In respect of the Condition set out in paragraph (e) above, other than those specifically set out as Conditions above and the application for the withdrawal of the listing of the Shares on the Stock Exchange upon the Scheme becoming effective, as at the date of this announcement, each of the Offeror and the Company is not aware of any Approvals which may be required to be obtained for or in connection with the Proposal or the implementation of the Proposal (including the withdrawal of the listing of the Shares on the Stock Exchange) in accordance with its terms and conditions.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any of the Conditions as a basis for not proceeding with the Proposal if the circumstances which give rise to the right to invoke such Condition are of material significance to the Offeror in the context of the Proposal.

Pursuant to Rule 31.1 of the Takeovers Code, except with the consent of the Executive, neither the Offeror nor any Offeror Concert Party, nor any person who is subsequently acting in concert with any of them, may within 12 months from the date on which the Proposal is withdrawn or lapses: (a) announce an offer or possible offer for the Company; or (b) acquire any voting rights of the Company if the Offeror or persons acting in concert with them would thereby become obliged under Rule 26 of the Takeovers Code to make an offer for the Company.

#### **IRREVOCABLE UNDERTAKINGS**

As at the date of this announcement:

(a) Money Success is the holder of 670,373,018 Shares, representing approximately 52.62% of the issued share capital of the Company;

(b) Full Brilliant is the holder of 30,000,000 Shares, representing approximately 2.35% of the issued share capital of the Company;



(c) Sino Consult is the holder of 60,000,000 Shares, representing approximately 4.71% of the issued share capital of the Company; and

(d) Mr. Lo and Ms. Chiu are the joint holders of 25,000,000 Shares, representing approximately 1.96% of the issued share capital of the Company.

On 2 September 2024, each of (i) Money Success; (ii) Full Brilliant; (iii) Sino Consult; and (iv) Mr. Lo and Ms. Chiu jointly, entered into the Irrevocable Undertakings in favour of the Offeror, pursuant to which each of Money Success, Full Brilliant, Sino Consult, Mr. Lo and Ms. Chiu has irrevocably and unconditionally undertaken to the Offeror, amongst other things, that they/it shall exercise the voting rights in respect of the IU Shares at the EGM to vote in favour of the relevant resolutions to approve the Proposal as set out in this announcement. Each of Money Success, Full Brilliant, Sino Consult, Mr. Lo and Ms. Chiu has also undertaken in the relevant Irrevocable Undertakings, amongst others, that:

- (1) they/it shall not and shall ensure that the registered holder(s) of the Shares (if applicable) not to enter into any agreement or other document which would prevent themselves/itself from exercising the voting rights in respect of the IU Shares in the resolutions relating to the Proposal in accordance with the Irrevocable Undertakings;
- (2) they/it shall not take any action or make any statement which may delay, frustrate or otherwise render the Proposal ineffective, or which may otherwise be detrimental to the success of the Proposal; and
- (3) notwithstanding the fact that Galaxy Bond shall make payment to each Scheme Shareholder of the Cancellation Price of HK\$0.350 in cash for each Scheme Share cancelled and extinguished, each of the MS Shareholders has undertaken that (i) upon the Scheme being effective; and (ii) if the Offeror decides to set-off the Debt on a dollar-to-dollar basis with the sum equivalent to the Cancellation Price of HK\$0.350 for each MS Scheme Share cancelled and extinguished, each of the MS Shareholders shall agree to such alternative arrangement.

Each of the Irrevocable Undertakings is unconditional.

The obligations of each of Money Success, Full Brilliant, Sino Consult, Mr. Lo and Ms. Chiu under the relevant Irrevocable Undertakings shall terminate if (a) the Proposal lapses or is withdrawn (including if any of the Conditions are not fulfilled or (where applicable) waived on or before the Long Stop Date); or (b) the Offeror and each of Money Success, Full Brilliant, Sino Consult, Mr. Lo and Ms. Chiu mutually agree to terminate it in writing.

#### **CONFIRMATION OF FINANCIAL RESOURCES**

Subsequent to the entering of the Irrevocable Undertakings by each of the MS Shareholders, Galaxy Bond (i.e. the Offeror) confirmed its intention that upon the Scheme being effective, the MS Scheme Shares in issue on the Record Date will be cancelled and extinguished on the Effective

Date in exchange for setting-off of the Debt on a dollar-to-dollar basis with the sum equivalent to the Cancellation Price of HK\$0.350 for each MS Scheme Share. Upon the Scheme being effective, the Offeror and the MS Shareholders will enter into a settlement agreement in agreed form to formalise the terms of partial settlement of the Debt.

As at the date of this announcement, there are 1,166,038,550 Scheme Shares in issue. Out of such 1,166,038,550 Scheme Shares, (i) the MS Scheme Shares (i.e. 785,373,018 Shares) are to be cancelled and extinguished in consideration for the partial settlement of the Debt in the sum of HK\$274,880,556.30 equivalent to the Cancellation Price of HK\$0.350 per MS Scheme Share; and (ii) the Remaining Scheme Shares (i.e. 380,665,532 Shares) are to be cancelled and extinguished in consideration for the Cancellation Price of HK\$0.350 in cash per Remaining Scheme Share.

Assuming that no further Shares will be issued by the Company on or before the Record Date, the Proposal will involve the cancellation and extinguishment of 380,665,532 Remaining Scheme Shares in exchange for the payment by the Offeror to each Remaining Scheme Shareholder of the Cancellation Price of HK\$0.350 in cash for each Remaining Scheme Share cancelled and extinguished. The total amount of cash required to implement the Proposal in full would be HK\$133,232,936.20.

The Offeror intends to finance the entire cash amount required to implement the Proposal in full through (i) its internal resources; and/or (ii) the Financing provided by the Lender to the Offeror.

Somerley, the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror for satisfying their obligations in respect of the full implementation of the Proposal.

#### **SHAREHOLDING STRUCTURE OF THE COMPANY, THE SCHEME SHARES AND VOTING AT THE COURT MEETING**

As at the date of this announcement:

- (a) there are 1,274,038,550 Shares in issue;
- (b) save for the MS Scheme Shares (i.e. the aggregate 785,373,018 Shares, which are beneficially owned by the MS Shareholders) in which it was deemed to have security interest over, the Offeror does not legally or beneficially own, control or have direction over any Shares;
- (c) Mr. Xue (being one of the Offeror Concert Parties) beneficially owns, controls and has direction over 108,000,000 Shares (representing approximately 8.48% of the entire issued share capital of the Company as at the date of this announcement). Such 108,000,000 Shares will not form part of the Scheme Shares, will not be cancelled upon the Scheme becoming effective, and will not be voted at the Court Meeting;



(d) the MS Shareholders (i.e. Money Success, Full Brilliant, Sino Consult and Mr. Lo and Ms. Chiu (each being one of the Offeror Concert Parties)), together, own, control and have direction over 785,373,018 Shares (representing approximately 61.64% of the entire issued share capital of the Company as at the date of this announcement). Galaxy Bond has security interests in such 785,373,018 Shares (i.e. the MS Scheme Shares) as at the date of this announcement. Such MS Scheme Shares will form part of the Scheme Shares, will be cancelled upon the Scheme becoming effective, but will not be voted at the Court Meeting. As consideration for cancelling and extinguishing the MS Scheme Shares beneficially owned by each of the MS Shareholders, the Debt of HK\$274,880,556.30 will be offset at the Cancellation Price of HK\$0.350 per MS Scheme Share;

(e) Mr. Cho Chun Wai (being one of the Offeror Concert Parties), an executive Director, owns, controls, and has direction over 10,000 Shares (representing a negligible percentage of the entire issued share capital of the Company as at the date of this announcement). Such 10,000 Shares will form part of the Scheme Shares and will be cancelled upon the Scheme becoming effective but will not be voted at the Court Meeting. As consideration for cancelling and extinguishing such Remaining Scheme Shares, Mr. Cho Chun Wai will receive the Cancellation Price of HK\$0.350 in cash for each Remaining Scheme Share cancelled and extinguished;

(f) save for the Shares held by each of (i) Mr. Xue; (ii) Money Success; (iii) Full Brilliant; (iv) Sino Consult; (v) Mr. Lo and Ms. Chiu; and (vi) Mr. Cho Chun Wai, the Offeror Concert Parties do not legally or beneficially own, control, or have direction over any Shares;

(g) the Independent Scheme Shareholders beneficially own, control, or have direction over 380,655,532 Shares (representing approximately 29.88% of the entire issued share capital of the Company as at the date of this announcement). The Shares held by the Independent Scheme Shareholders will form part of the Scheme Shares and will be cancelled upon the Scheme becoming effective, and the Independent Scheme Shareholders will be entitled to vote at the Court Meeting. As consideration for cancelling and extinguishing such Scheme Shares, the Independent Scheme Shareholders will receive the Cancellation Price of HK\$0.350 in cash for each Remaining Scheme Share cancelled and extinguished;

(h) the holders of the Remaining Scheme Shares beneficially own, control, or have direction over, 380,665,532 Shares (representing approximately 29.88% of the entire issued share capital of the Company as at the date of this announcement). Such Shares comprise: (i) the 10,000 Shares in issue as at the date of this announcement which are held or beneficially owned by Mr. Cho Chun Wai (being one of the Offeror Concert Parties); and (ii) the 380,655,532 Shares in issue as at the date of this announcement which are held or beneficially owned by the Independent Scheme Shareholders;

(i) the holders of the Scheme Shares beneficially own, control, or have direction over, 1,166,038,550 Shares (representing approximately 91.52% of the entire issued share capital of the Company as at the date of this announcement). Such Shares comprise: (i) the MS Scheme Shares; and (ii) the Remaining Scheme Shares;

(j) there are no convertible securities, warrants or options in respect of the Shares held, controlled or directed by the Offeror or the Offeror Concert Parties;

(k) neither the Offeror nor the Offeror Concert Parties has entered into any outstanding derivatives in respect of the securities of the Company;

(l) neither the Offeror nor the Offeror Concert Parties has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company; and

(m) none of the Offeror or the Offeror Concert Parties had dealt for value in the Shares in the six months immediately preceding and including the date of this announcement.

As at the date of this announcement, the Company does not have any share scheme and the Company has no intention to adopt any share scheme.

#### **EGM**

All Shareholders will be entitled to vote at the EGM on: (a) the special resolution to approve and give effect to the reduction of the issued share capital of the Company on the Effective Date by the cancellation and extinguishment of the Scheme Shares in issue on the Record Date; and (b) the ordinary resolution to approve and give effect to, immediately after such cancellation, extinguishment and reduction, the restoration of the issued share capital of the Company to the amount immediately prior to such cancellation, extinguishment and reduction by the issue by the Company to the Offeror of such number of new Shares (credited as fully-paid by applying the reserve created as a result of such cancellation, extinguishment and reduction) as is equal to the number of the Scheme Shares so cancelled and extinguished.

#### **INDEPENDENT BOARD COMMITTEE**

The Independent Board Committee, comprising: (a) Mr. Pan Chuan (non-executive Director); (b) Ms. Sun Lin (non-executive Director); (c) Mr. Chan Ying Kay (independent non-executive Director); (d) Mr. Leung Kin Hong (independent non-executive Director); and (e) Mr. Wang Jin Ling (independent non-executive Director), has been established by the Board in accordance with Rule 2.1 of the Takeovers Code to make recommendations to the Independent Scheme Shareholders as to: (i) whether the terms of the Proposal and the Scheme are, or are not, fair and reasonable; and (ii) whether to vote in favour of the Scheme at the Court Meeting and the EGM.

#### **INDEPENDENT FINANCIAL ADVISER**

Lego Corporate Finance Limited has been appointed by the Company, with the approval of the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code, to advise the Independent Board Committee as to: (a) whether the terms of the Proposal and the Scheme are, or are not, fair and reasonable; and (b) voting by the Independent Scheme Shareholders at the Court Meeting.

#### **WITHDRAWAL OF LISTING OF THE SHARES ON THE STOCK EXCHANGE**

Upon the Scheme becoming effective, all the Scheme Shares in issue on the Record Date will be cancelled and extinguished and the share certificates in respect of such Scheme Shares will thereafter cease to have effect as documents or evidence of title. The Company will make an application to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange, in accordance with Rule 6.15(2) of the Listing Rules, with effect immediately following the Effective Date.

#### **IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES**

Subject to the requirements of the Takeovers Code, the Proposal will lapse if any of the Conditions has not been fulfilled or waived, as applicable, on or before the Long Stop Date. If the Scheme is not approved or the Proposal otherwise lapses, the listing of the Shares on the Stock Exchange will not be withdrawn.

#### **DESPATCH OF THE SCHEME DOCUMENT**

A Scheme Document including, among other things: (a) further details of the Proposal and the Scheme; (b) an explanatory statement of the Scheme; (c) the expected timetable relating to the Proposal and the Scheme; (d) the letter from the Independent Board Committee containing its recommendations to the Independent Scheme Shareholders in respect of the Proposal and the Scheme; (e) the letter of advice from the Independent Financial Adviser containing its advice to the Independent Board Committee in respect of the Proposal and the Scheme; and (f) notices of the Court Meeting and the EGM (including proxy forms relating to such meetings for use by the relevant Shareholders) will be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code and applicable laws and regulations.

#### **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares was halted with effect from 9:00 a.m. on 26 August 2024 pending the publication of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 3 September 2024.

#### **WARNING**

**Shareholders and potential investors should be aware that the implementation of the Proposal and the Scheme are subject to the Conditions being fulfilled or waived (as applicable). Accordingly, the Proposal may or may not be implemented and the Scheme may or may not become effective. Shareholders and potential investors are advised to 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 stockbroker, bank manager, solicitor or other professional advisers.**

This announcement is not intended to, and does not, constitute, or form part of, any offer to sell or subscribe for or an invitation to purchase or subscribe for any securities or the solicitation of any vote, approval or acceptance in any jurisdiction pursuant to the Proposal or otherwise, nor shall there be any sale, issuance or transfer of securities of the Company in any jurisdiction in contravention of applicable law. The Proposal will be made solely through the Scheme Document, which will contain the full terms and conditions of the Proposal, including details of how to vote on the Proposal. Any approval or other response to the Proposal should be made only on the basis of information in the Scheme Document and the individual circumstances of the Shareholder making the decision.

The availability of the Proposal to persons who are citizens, residents or nationals of a jurisdiction other than Hong Kong may be affected by the laws of the relevant jurisdictions in which they are located or resided or of which they are citizens. Persons who are citizens, residents or nationals of a jurisdiction other than Hong Kong should inform themselves about, and observe, any applicable legal, regulatory or tax requirements of the relevant jurisdictions in which they are located or resided or of which they are citizens and, where necessary, seek their own legal advice. Further details in relation to overseas holders of the Scheme Shares will be contained in the Scheme Document.

### **Notice to U.S. investors**

The Proposal and the Scheme relate to the cancellation of the securities of a company incorporated under the laws of Hong Kong by way of a scheme of arrangement provided for under the Companies Ordinance. The Proposal and the Scheme are subject to Hong Kong procedural disclosure requirements and practices which are different from those of the United States.

The Shares are listed on the Stock Exchange and are not listed on a United States national securities exchange or registered under the United States Securities Exchange Act of 1934, as amended (the "Exchange Act"). A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules of the Exchange Act. Accordingly, the Proposal and the Scheme are subject to the procedural and disclosure requirements and practices applicable in Hong Kong to schemes of arrangement and securities offer, which differ from the disclosure and procedural and practice requirements applicable under United States federal securities laws.

The receipt of cash pursuant to the Proposal and the Scheme by a U.S. holder of the securities or share awards of the Company may be a taxable transaction for U.S. federal income tax purposes and under applicable U.S. state and local, as well as foreign and other, tax laws. Each holder of the securities or share awards of the Company is urged to consult his/hers/its independent professional adviser immediately regarding the tax consequences of the Proposal and the Scheme applicable to him/hers/it.

It may be difficult for a U.S. holder of the securities or share awards of the Company to enforce his/hers/its rights and claims arising out of the U.S. federal securities laws, as the Offeror and the Company are incorporated in a country other than the United States, and some or all of their respective officers and directors may be residents of a country other than the United States. A U.S. holder of the securities or share awards of the Company may not be able to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of the U.S. securities laws. Further, a U.S. holder of the securities or share awards of the Company may be difficult to compel a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgment.

Neither the U.S. Securities and Exchange Commission nor any U.S. state securities commission has approved or disapproved the Proposal and the Scheme, or determined if this announcement is accurate or complete. Any representation to the contrary is a criminal offence in the United States.

This announcement is not intended to, and does not, constitute, or form part of, an offer or invitation to purchase or subscribe for any securities of the Company in the United States.

*Forward-Looking Statements: This announcement may include forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "envisages", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts and include statements regarding the Offeror, the Company's or their respective affiliates' intentions, beliefs or current expectations. By their nature, forward-looking statements involve risks and uncertainties because they*

*relate to events and depend on circumstances that may or may not occur in the future. Readers are cautioned that forward-looking statements are not guarantees of future performance and that actual results or developments may differ materially from those made in or suggested by the forward-looking statements contained in this announcement, and may not be indicative of results or developments in subsequent periods. The forward-looking statements and information contained in this announcement are made as of the date hereof and each of the Offeror and the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws or the Takeovers Code.*

*Financial information disclosed in respect of the Proposal and the Scheme has been or will have been prepared in accordance with non-U.S. accounting standards that may not be comparable to financial information of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.*

### **INTRODUCTION**

Galaxy Bond (i.e. the Offeror), having a security interest over 785,373,018 (representing approximately 61.64% of the issued share capital of the Company) Shares held by the MS Shareholders (i.e. Money Success, Full Brilliant, Sino Consult, Mr. Lo and Ms. Chiu (each being one of the Offeror Concert Parties), proposed to privatise the Company. In view of this, the Offeror and the Company jointly announce that, on 23 August 2024, the Offeror requested that the Board put forward the Proposal to the Scheme Shareholders for the privatisation of the Company by way of a scheme of arrangement under section 673 of the Companies Ordinance.

### **TERMS OF THE PROPOSAL**

If the Proposal is approved and implemented:

- (a) all the Scheme Shares in issue on the Record Date will be cancelled and extinguished on the Effective Date in exchange for the Cancellation Price of HK\$0.350 in cash for each Scheme Share cancelled and extinguished pursuant to the Irrevocable Undertakings, each of the MS Shareholders has undertaken that (i) upon the Scheme being effective; and (ii) if the Offeror decides to set-off the Debt on a dollar-to-dollar basis with the sum equivalent to the Cancellation Price of HK\$0.350 for each MS Scheme Share cancelled and extinguished, each of the MS Shareholders shall agree to such alternative arrangement. Galaxy Bond (i.e. the Offeror) subsequently confirmed its intention to set-off the Debt);
- (b) on the Effective Date, the issued share capital of the Company will be reduced by the cancellation and extinguishment of the Scheme Shares in issue on the Record Date and, immediately after such cancellation, extinguishment and reduction, the issued share capital of the Company will be restored to the amount immediately prior to such cancellation, extinguishment and reduction by the issue by the Company to the Offeror of such number of new Shares (credited as fully-paid by applying the reserve created as a result of such cancellation, extinguishment and reduction) as is equal to the number of the Scheme Shares cancelled and extinguished on the Effective Date;

- (c) the Company will be owned as to 100.00% by Galaxy Bond and Mr. Xue in aggregate; and
- (d) the listing of the Shares on the Stock Exchange will be withdrawn from the Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules.

Upon the Scheme becoming effective, the Cancellation Price will be paid to the Scheme Shareholders whose names appear on the register of members of the Company on the Record Date as soon as possible but in any event within seven (7) business days (as defined in the Takeovers Code) following the Effective Date.

#### **Cancellation Price**

Under the Scheme, the Scheme Shares in issue on the Record Date will be cancelled and extinguished on the Effective Date and, in consideration thereof, each Scheme Shareholder will be entitled to receive the Cancellation Price of HK\$0.350 in cash for each Scheme Share cancelled and extinguished (save that pursuant to the Irrevocable Undertakings and Galaxy Bond's subsequent confirmation, upon the Scheme being effective, the Offeror will set-off the Debt on a dollar-to-dollar basis with the sum equivalent to the Cancellation Price of HK\$0.350 for each MS Scheme Share cancelled and extinguished).

If (a) after the date of this announcement, any dividend, distribution and/or return of capital is announced, declared, made and/or paid in respect of the Shares; and (b) the record date to be announced by the Board for determining the entitlements to such dividend, distribution and/or return of capital (as the case may be) falls on a day which is on or before the Effective Date, the Shareholders whose names appear on the register of members of the Company on such record date will be entitled to such dividend, distribution and/or return of capital (as the case may be).

The Company:

- (a) has not announced or declared any dividend, distribution or return of capital which has not been made or which remains unpaid; and
- (b) does not intend to announce, declare, make or pay any dividend, distribution or return of capital on or before the Effective Date.

The Cancellation Price of HK\$0.350 represents:

- (a) a premium of approximately 78.57% over the closing price of HK\$0.196 per Share as quoted on the Stock Exchange on 23 August 2024, being the Last Trading Day;
- (b) a premium of approximately 81.35% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the last five trading days up to and including prior to the Last Trading Day of approximately HK\$0.193 per Share;

- (c) a premium of approximately 82.29% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 10 trading days up to and including prior to the Last Trading Day of approximately HK\$0.192 per Share;
- (d) a premium of approximately 81.35% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 30 trading days up to and including prior to the Last Trading Day of approximately HK\$0.193 per Share;
- (e) a premium of approximately 86.17% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 60 trading days up to and including prior to the Last Trading Day of approximately HK\$0.188 per Share;
- (f) a premium of approximately 131.79% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 120 trading days up to and including the Last Trading Day of approximately HK\$0.151 per Share;
- (g) a premium of approximately 92.31% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 180 trading days up to and including prior to the Last Trading Day of approximately HK\$0.182 per Share;
- (h) a discount of approximately 39.55% to the unaudited consolidated net asset value attributable to owners of the Company of approximately HK\$0.579 per Share as at 30 June 2024 (which is calculated based on the unaudited consolidated net asset value attributable to owners of the Company of approximately HK\$737,879,000 as at 30 June 2024 and 1,274,038,550 Shares in issue as at 30 June 2024); and
- (i) a discount of approximately 41.57% to the audited consolidated net asset value attributable to owners of the Company of approximately HK\$0.599 per Share as at 31 December 2023 (which is calculated based on the audited consolidated net asset value attributable to owners of the Company of approximately HK\$763,246,000 as at 31 December 2023 and 1,274,038,550 Shares in issue as at 31 December 2023).

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

During the six-month period ended on and including the Last Trading Day, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.205 on 4 June 2024 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.074 on 17 April 2024.

The Cancellation Price has been determined on an arm's length commercial basis after taking into account, among other things, the recent and historical trading prices of the Shares, the publicly available financial information of the Group with reference to other privatisation transactions in Hong Kong in recent years.



The Offeror will not increase the Cancellation Price and does not reserve the right to do so. Shareholders and potential investors should be aware that, following the making of such statement, the Offeror will not be allowed to increase the Cancellation Price.

Shareholders and potential investors are advised to 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 stockbroker, bank manager, solicitor or other professional advisers.

#### **IRREVOCABLE UNDERTAKINGS**

As at the date of this announcement:

- (a) Money Success is the holder of 670,373,018 Shares, representing approximately 52.62% of the issued share capital of the Company;
- (b) Full Brilliant is the holder of 30,000,000 Shares, representing approximately 2.35% of the issued share capital of the Company;
- (c) Sino Consult is the holder of 60,000,000 Shares, representing approximately 4.71% of the issued share capital of the Company; and
- (d) Mr. Lo and Ms. Chiu are the joint holders of 25,000,000 Shares, representing approximately 1.96% of the issued share capital of the Company.

On 2 September 2024, each of (i) Money Success; (ii) Full Brilliant; (iii) Sino Consult; and (iv) Mr. Lo and Ms. Chiu jointly, entered into the Irrevocable Undertakings in favour of the Offeror, pursuant to which each of Money Success, Full Brilliant, Sino Consult, Mr. Lo and Ms. Chiu has irrevocably and unconditionally undertaken to the Offeror, amongst other things, that they/ it shall exercise the voting rights in respect of the IU Shares at the EGM to vote in favour of the relevant resolutions to approve the Proposal as set out in this announcement. Each of Money Success, Full Brilliant, Sino Consult, Mr. Lo and Ms. Chiu has also undertaken in the relevant Irrevocable Undertakings, amongst others, that:

- (1) they/it shall not and shall ensure that the registered holder(s) of the Shares (if applicable) not to enter into any agreement or other document which would prevent themselves/itself from exercising the voting rights in respect of the IU Shares in the resolutions relating to the Proposal in accordance with the Irrevocable Undertakings;
- (2) they/it shall not take any action or make any statement which may delay, frustrate or otherwise render the Proposal ineffective, or which may otherwise be detrimental to the success of the Proposal; and
- (3) notwithstanding the fact that Galaxy Bond shall make payment to each Scheme Shareholder of the Cancellation Price of HK\$0.350 in cash for each Scheme Share cancelled and extinguished, each of the MS Shareholders has undertaken that (i) upon the Scheme being effective; and (ii) if the

Offeror decides to set-off the Debt on a dollar-to-dollar basis with the sum equivalent to the Cancellation Price of HK\$0.350 for each MS Scheme Share cancelled and extinguished, each of the MS Shareholders shall agree to such alternative arrangement.

Each of the Irrevocable Undertakings is unconditional.

The obligations of each of Money Success, Full Brilliant, Sino Consult, Mr. Lo and Ms. Chiu under the relevant Irrevocable Undertakings shall terminate if (a) the Proposal lapses or is withdrawn (including if any of the Conditions are not fulfilled or (where applicable) waived on or before the Long Stop Date); or (b) the Offeror and each of Money Success, Full Brilliant, Sino Consult, Mr. Lo and Ms. Chiu mutually agree to terminate it in writing.

#### **CONFIRMATION OF FINANCIAL RESOURCES**

Subsequent to the entering of the Irrevocable Undertakings by each of the MS Shareholders, Galaxy Bond (i.e. the Offeror) confirmed its intention that upon the Scheme being effective, the MS Scheme Shares in issue on the Record Date will be cancelled and extinguished on the Effective Date in exchange for setting-off the Debt on a dollar-to-dollar basis with the sum equivalent to the Cancellation Price of HK\$0.350 for each MS Scheme Share. Upon the Scheme being effective, the Offeror and the MS Shareholders will enter into a settlement agreement in agreed form to formalise the terms of partial settlement of the Debt.

As at the date of this announcement, there are 1,166,038,550 Scheme Shares in issue. Out of such 1,166,038,550 Scheme Shares, (i) the MS Scheme Shares (i.e. 785,373,018 Shares) are to be cancelled and extinguished in consideration for the partial settlement of the Debt in the sum of HK\$274,880,556.30 equivalent to the Cancellation Price of HK\$0.350 per MS Scheme Share; and (ii) the Remaining Scheme Shares (i.e. 380,665,532 Shares) are to be cancelled and extinguished in consideration for the Cancellation Price of HK\$0.350 in cash per Remaining Scheme Share.

Assuming that no further Shares will be issued by the Company on or before the Record Date, the Proposal will involve the cancellation and extinguishment of 380,665,532 Remaining Scheme Shares in exchange for the payment by the Offeror to each Remaining Scheme Shareholder of the Cancellation Price of HK\$0.350 in cash for each Remaining Scheme Share cancelled and extinguished. The total amount of cash required to implement the Proposal in full would be HK\$133,232,936.20.

The Offeror intends to finance the entire cash amount required to implement the Proposal in full through (i) its internal resources; and/or (ii) the Financing provided by the Lender to the Offeror.

Somerley, the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror for satisfying their obligations in respect of the full implementation of the Proposal.

## CONDITIONS OF THE PROPOSAL

The Proposal is, and the Scheme will become effective and binding on the Company and all the Scheme Shareholders, subject to the fulfilment or waiver (as applicable) of the following Conditions:

- (a) the approval of the Scheme at the Court Meeting (by way of a poll) by the holders of the Scheme Shares representing at least 75% of the voting rights of the holders of the Independent Scheme Shares present and voting, in person or by proxy, at the Court Meeting; and the votes cast (by way of a poll) against the Scheme at the Court Meeting not exceeding 10% of the total voting rights attached to all the Disinterested Shares, provided that:
  - (i) the Scheme is approved at the Court Meeting (by way of a poll) by at least 75% of the votes attaching to the Independent Scheme Shares that are cast either in person or by proxy at the Court Meeting; and
  - (ii) the number of votes cast (by way of a poll) against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all the Independent Scheme Shares;
- (b) the passing by the Shareholders at the EGM of:
  - (i) a special resolution to approve and give effect to the reduction of the issued share capital of the Company on the Effective Date by the cancellation and extinguishment of the Scheme Shares in issue on the Record Date; and
  - (ii) an ordinary resolution to approve and give effect to, immediately after such cancellation, extinguishment and reduction, the restoration of the issued share capital of the Company to the amount immediately prior to such cancellation, extinguishment and reduction by the issue by the Company to the Offeror of such number of new Shares (credited as fully-paid by applying the reserve created as a result of such cancellation, extinguishment and reduction) as is equal to the number of the Scheme Shares so cancelled and extinguished;
- (c) the sanction by the Court of the Scheme (with or without modification) under section 673 of the Companies Ordinance, the confirmation by the Court of the reduction of the issued share capital of the Company involved in the Scheme under section 229 of the Companies Ordinance, and the registration of a copy of the order of the Court by the Registrar of Companies under the Companies Ordinance;
- (d) the compliance with the procedural requirements of sections 230 and 231, and sections 673 and 674 of the Companies Ordinance in relation to the reduction of the issued share capital of the Company and the Scheme, respectively;
- (e) all the Approvals having been obtained, completed and/or made and remaining in full force and effect without modification or variation;

- (f) all the Applicable Laws having been complied with and no legal, regulatory or administrative requirement having been imposed by any Authority in any jurisdiction which is not expressly provided for, or is in addition to the legal, regulatory and administrative requirements which are expressly provided for, in the Applicable Laws in connection with the Proposal or the implementation of the Proposal (including the withdrawal of the listing of the Shares on the Stock Exchange) in accordance with its terms and conditions;
- (g) no Authority in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry (or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order), in each case, which would make the Proposal or the implementation of the Proposal (including the withdrawal of the listing of the Shares on the Stock Exchange) in accordance with its terms and conditions void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations in connection with the Proposal or the implementation of the Proposal (including the withdrawal of the listing of the Shares on the Stock Exchange) in accordance with its terms and conditions);
- (h) since the date of this announcement, there not having been instituted or remaining outstanding any litigation, arbitration proceeding, prosecution or other legal proceeding to which any member of the Group is a party (whether as plaintiff, defendant or otherwise) and no litigation, arbitration proceeding, prosecution or other legal proceeding having been threatened in writing against any member of the Group (and no investigation by any Authority in any jurisdiction against or in respect of any member of the Group or the business carried on by any member of the Group having been threatened in writing, announced, instituted or remaining outstanding by, against or in respect of any member of the Group), in each case which is material and adverse in the context of the Group taken as a whole or in the context of the Proposal or the Scheme;
- (i) since the date of this announcement, there having been no adverse change in the business, assets, prospects, profits, losses, results of operations, financial position or condition of the Group (to an extent which is material in the context of the Group taken as a whole or in the context of the Proposal or the Scheme);
- (j) the implementation of the Proposal not resulting in, and no event or circumstance having occurred or arisen which would or might be expected to result in:
  - (i) any indebtedness (actual or contingent) of any member of the Group being or becoming repayable (or capable of being declared repayable) immediately or prior to its stated maturity or repayment date;
  - (ii) any agreement, arrangement, licence, permit or instrument to which any member of the Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject (or any of the rights, liabilities, obligations or interests of any member of the Group thereunder) being terminated or adversely modified (or any material obligation or liability on the part of any member of the Group arising in relation thereto); or



(iii) the creation or enforcement of any security interest over the whole or any part of the business, property or assets of any member of the Group or any such security (whenever arising) becoming enforceable which is material in the context of the Group taken as a whole or in the context of the Proposal or the Scheme; and

(k) save in connection with the implementation of the Proposal, the listing of the Shares on the Stock Exchange not having been withdrawn, and no indication having been received from the Executive and/or the Stock Exchange to the effect that the listing of the Shares on the Stock Exchange is or is likely to be withdrawn.

The Conditions set out in paragraphs (a) to (d) above are not waivable.

The Offeror reserves the right to waive, in whole or in part and generally or in respect of any particular matter:

- (a) all or any of the Conditions set out in paragraphs (e) to (h) above to the extent that any such waiver would not render the Proposal or the implementation of the Proposal in accordance with its terms and conditions illegal; and
- (b) all or any of the Conditions set out in paragraphs (i) to (k) above.

The Company does not have the right to waive any of the Conditions set out in paragraphs (a) to (k) above.

All of the Conditions set out in paragraphs (a) to (k) above must be fulfilled or waived, as applicable, on or before the Long Stop Date, failing which the Proposal and the Scheme will lapse.

In respect of the Condition set out in paragraph (e) above, other than those specifically set out as Conditions above and the application for the withdrawal of the listing of the Shares on the Stock Exchange upon the Scheme becoming effective, as at the date of this announcement, each of the Offeror and the Company is not aware of any Approvals which may be required to be obtained for or in connection with the Proposal or the implementation of the Proposal (including the withdrawal of the listing of the Shares on the Stock Exchange) in accordance with its terms and conditions.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any of the Conditions as a basis for not proceeding with the Proposal if the circumstances which give rise to the right to invoke such Condition are of material significance to the Offeror in the context of the Proposal.

Pursuant to Rule 31.1 of the Takeovers Code, except with the consent of the Executive, neither the Offeror nor any Offeror Concert Party, nor any person who is subsequently acting in concert with any of them, may within 12 months from the date on which the Proposal is withdrawn or lapses: (a) announce an offer or possible offer for the Company; or (b) acquire any voting rights of the Company if the Offeror or persons acting in concert with them would thereby become obliged under Rule 26 of the Takeovers Code to make an offer for the Company.

The Condition set out in paragraph (a) above takes into account the requirements under sections 673 and 674 of the Companies Ordinance and the requirements under Rule 2.10 of the Takeovers Code.

Under sections 673 and 674 of the Companies Ordinance, the Scheme will, subject to the sanction of the Court, be binding on the Company and all the Scheme Shareholders if:

- (a) the Scheme is approved at the Court Meeting by the holders of the Scheme Shares representing at least 75% of the voting rights of the holders of the Scheme Shares present and voting, in person or by proxy, at the Court Meeting; and
- (b) the votes cast against the Scheme at the Court Meeting do not exceed 10% of the total voting rights attached to all the Disinterested Shares.

Under Rule 2.10 of the Takeovers Code, the Scheme may only be implemented if, in addition to satisfying the voting requirements under section 674(2) of the Companies Ordinance:

- (a) the Scheme is approved at the Court Meeting by at least 75% of the votes attaching to the Independent Scheme Shares that are cast either in person or by proxy at the Court Meeting; and
- (b) the number of votes cast against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all the Independent Scheme Shares.

If approved, the Scheme will be binding on all the Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the EGM.

The Independent Scheme Shareholders are reminded to read: (a) the letter from the Independent Board Committee containing its recommendations to the Independent Scheme Shareholders in respect of the Proposal and the Scheme; and (b) the letter from the Independent Financial Adviser containing its advice to the Independent Board Committee in respect of the Proposal and the Scheme which will be included in the Scheme Document.

#### **WARNING**

**Shareholders and potential investors should be aware that the implementation of the Proposal and the Scheme are subject to the Conditions being fulfilled or waived (as applicable). Accordingly, the Proposal may or may not be implemented and the Scheme may or may not become effective. Shareholders and potential investors are advised to 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 stockbroker, bank manager, solicitor or other professional advisers.**

**This announcement is not intended to, and does not, constitute, or form part of, any offer to sell or subscribe for or an invitation to purchase or subscribe for any securities or the solicitation of any vote, approval or acceptance in any jurisdiction pursuant to the Proposal or otherwise, nor shall there be any sale, issuance or transfer of securities of the Company in any jurisdiction in**

contravention of applicable law. The Proposal will be made solely through the Scheme Document, which will contain the full terms and conditions of the Proposal, including details of how to vote on the Proposal. Any approval or other response to the Proposal should be made only on the basis of information in the Scheme Document and the individual circumstances of the Shareholder making the decision.

The availability of the Proposal to persons who are citizens, residents or nationals of a jurisdiction other than Hong Kong may be affected by the laws of the relevant jurisdictions in which they are located or resided or of which they are citizens. Persons who are citizens, residents or nationals of a jurisdiction other than Hong Kong should inform themselves about, and observe, any applicable legal, regulatory or tax requirements of the relevant jurisdictions in which they are located or resided or of which they are citizens and, where necessary, seek their own legal advice. Further details in relation to overseas holders of the Scheme Shares will be contained in the Scheme Document.

#### **SHAREHOLDING STRUCTURE OF THE COMPANY, THE SCHEME SHARES AND VOTING AT THE COURT MEETING**

As at the date of this announcement:

- (a) there are 1,274,038,550 Shares in issue;
- (b) save for the MS Scheme Shares (i.e. the aggregate 785,373,018 Shares, which are beneficially owned by the MS Shareholders) in which it was deemed to have security interest over, the Offeror does not legally or beneficially own, control or have direction over any Shares;
- (c) Mr. Xue (being one of the Offeror Concert Parties) beneficially owns, controls and has direction over 108,000,000 Shares (representing approximately 8.48% of the entire issued share capital of the Company as at the date of this announcement). Such 108,000,000 Shares will not form part of the Scheme Shares, will not be cancelled upon the Scheme becoming effective, and will not be voted at the Court Meeting;
- (d) the MS Shareholders (i.e. Money Success, Full Brilliant, Sino Consult and Mr. Lo and Ms. Chiu (each being one of the Offeror Concert Parties)), together, own, control and have direction over 785,373,018 Shares (representing approximately 61.64% of the entire issued share capital of the Company as at the date of this announcement). Galaxy Bond has security interests over such 785,373,018 Shares (i.e. the MS Scheme Shares) as at the date of this announcement. Such MS Scheme Shares will form part of the Scheme Shares, will be cancelled upon the Scheme becoming effective, but will not be voted at the Court Meeting. As consideration for cancelling and extinguishing the MS Scheme Shares beneficially owned by each of the MS Shareholders, the Debt of HK\$274,880,556.30 will be offset at the Cancellation Price of HK\$0.350 per MS Scheme Share;

- (e) Mr. Cho Chun Wai (being one of the Offeror Concert Parties), an executive Director, owns, controls, and has direction over 10,000 Shares (representing a negligible percentage of the entire issued share capital of the Company as at the date of this announcement). Such 10,000 Shares will form part of the Scheme Shares and will be cancelled upon the Scheme becoming effective but will not be voted at the Court Meeting. As consideration for cancelling and extinguishing such Remaining Scheme Shares, Mr. Cho Chun Wai will receive the Cancellation Price of HK\$0.350 in cash for each Remaining Scheme Share cancelled and extinguished;
- (f) save for the Shares held by each of (i) Mr. Xue; (ii) Money Success; (iii) Full Brilliant; (iv) Sino Consult; (v) Mr. Lo and Ms. Chiu; and (vi) Mr. Cho Chun Wai, the Offeror Concert Parties do not legally or beneficially own, control, or have direction over any Shares;
- (g) the Independent Scheme Shareholders beneficially own, control, or have direction over 380,665,532 Shares (representing approximately 29.88% of the entire issued share capital of the Company as at the date of this announcement). The Shares held by the Independent Scheme Shareholders will form part of the Scheme Shares and will be cancelled upon the Scheme becoming effective, and the Independent Scheme Shareholders will be entitled to vote at the Court Meeting. As consideration for cancelling and extinguishing such Scheme Shares, the Independent Scheme Shareholders will receive the Cancellation Price of HK\$0.350 in cash for each Remaining Scheme Share cancelled and extinguished;
- (h) the holders of the Remaining Scheme Shares beneficially own, control, or have direction over, 380,665,532 Shares (representing approximately 29.88% of the entire issued share capital of the Company as at the date of this announcement). Such Shares comprise: (i) the 10,000 Shares in issue as at the date of this announcement which are held or beneficially owned by Mr. Cho Chun Wai (being one of the Offeror Concert Parties); and (ii) the 380,655,532 Shares in issue as at the date of this announcement which are held or beneficially owned by the Independent Scheme Shareholders;
- (i) the holders of the Scheme Shares beneficially own, control, or have direction over, 1,166,038,550 Shares (representing approximately 91.52% of the entire issued share capital of the Company as at the date of this announcement). Such Shares comprise: (i) the MS Scheme Shares; and (ii) the Remaining Scheme Shares;
- (j) there are no convertible securities, warrants or options in respect of the Shares held, controlled or directed by the Offeror or the Offeror Concert Parties;
- (k) neither the Offeror nor the Offeror Concert Parties has entered into any outstanding derivatives in respect of the securities of the Company;
- (l) neither the Offeror nor the Offeror Concert Parties has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company; and
- (m) none of the Offeror or the Offeror Concert Parties had dealt for value in the Shares in the six months immediately preceding and including the date of this announcement.

As at the date of this announcement, the Company does not have any share scheme and the Company has no intention to adopt any share scheme.

Assuming that: (a) no further Shares will be issued by the Company on or before the Record Date; and (b) there is no change in the shareholding of the Company before the Scheme becoming effective, the shareholding structure of the Company as at the date of this announcement and immediately upon completion of the Proposal is set out below:

	No. of Shares	Approximate %	Immediately upon completion of the Proposal	Approximate %
	As at the date of this announcement		Immediately upon completion of the Proposal	
	No. of Shares	Approximate %	No. of Shares <sup>6</sup>	Approximate %
<b>Offeror</b>				
Galaxy Bond <sup>1</sup>	-	-	1,166,038,550	91.52
<b>Sub-total</b>	-	-	<b>1,166,038,550</b>	<b>91.52</b>
<b>Offeror Concert Parties (the Shares of which do not form part of the Scheme Shares)</b>				
Mr. Xue <sup>1</sup>	108,000,000	8.48	108,000,000	8.48
<b>Sub-total</b>	<b>108,000,000</b>	<b>8.48</b>	<b>108,000,000</b>	<b>8.48</b>
<b>Offeror Concert Parties (the Shares of which form part of the Scheme Shares)</b>				
Money Success <sup>2</sup>	670,373,018	52.62	-	-
Full Brilliant <sup>2</sup>	30,000,000	2.35	-	-
Sino Consult <sup>2</sup>	60,000,000	4.71	-	-
Mr. Lo and Ms. Chin <sup>2</sup>	25,000,000	1.96	-	-
Mr. Cho Chun Wai <sup>3</sup>	10,000	0.00	-	-
<b>Sub-total</b>	<b>785,383,018</b>	<b>61.64</b>	-	-
<b>Others</b>				
Independent Scheme Shareholders <sup>4</sup>	380,655,532	29.88	-	-
<b>Sub-total</b>	<b>380,655,532</b>	<b>29.88</b>	-	-
<b>Total number of Shares in issue</b>	<b>1,274,038,550</b>	<b>100.00</b>	<b>1,274,038,550</b>	<b>100.00</b>
<b>Total number of Scheme Shares<sup>5</sup></b>	1,166,038,550	91.52	-	-

Notes:

- The Shares held by the Offeror and Mr. Xue (being one of the Offeror Concert Parties), will not form part of the Scheme Shares, will not be cancelled upon the Scheme becoming effective and will not be entitled to vote at the Court Meeting.

2. The Shares held by each of the MS Shareholders (each being one of the Offeror Concert Parties) (i.e. the MS Scheme Shares) will form part of the Scheme Shares and will be cancelled upon the Scheme becoming effective but will not be voted at the Court Meeting. As consideration for cancelling and extinguishing such MS Scheme Shares owned by each of the MS Shareholders, the Offeror and the MS Shareholders have agreed to partially offset the Debt of HK\$274,880,556.30 in the sum equivalent to the Cancellation Price of HK\$0.350 for each MS Scheme Share cancelled and extinguished.

3. The Shares held by Mr. Cho Chun Wai (being one of the Offeror Concert Parties and an executive Director) will form part of the Scheme Shares and will be cancelled upon the Scheme becoming effective but will not be voted at the Court Meeting. As consideration for cancelling and extinguishing such Remaining Scheme Shares, Mr. Cho Chun Wai would receive the Cancellation Price of HK\$0.350 in cash for each Remaining Scheme Share cancelled and extinguished.

4. The Shares held by the Independent Scheme Shareholders will form part of the Scheme Shares and will be cancelled upon the Scheme becoming effective. The Independent Scheme Shareholders will be entitled to vote at the Court Meeting. As consideration for cancelling and extinguishing such Remaining Scheme Shares, the Independent Scheme Shareholders would receive the Cancellation Price of HK\$0.350 in cash for each Remaining Scheme Share cancelled and extinguished.

5. The Scheme Shares comprise: (a) the Shares in issue on the Record Date which are held or beneficially owned by the MS Shareholders; (b) the Shares in issue on the Record Date which are held or beneficially owned by Mr. Cho Chun Wai (being one of the Offeror Concert Parties); and (c) the Shares in issue on the Record Date which are held or beneficially owned by the Independent Scheme Shareholders.

6. Upon the Scheme becoming effective, the issued share capital of the Company will be reduced by the cancellation and extinguishment of the Scheme Shares and, immediately after such cancellation, extinguishment and reduction, the issued share capital of the Company will be restored to the amount immediately prior to such cancellation, extinguishment and reduction by the issue by the Company to the Offeror of such number of new Shares (credited as fully-paid by applying the reserve created as a result of such cancellation, extinguishment and reduction) as is equal to the number of the Scheme Shares cancelled and extinguished on the Effective Date.

As at the date of this announcement, the Company does not have a share scheme; and the Company has no intention to adopt a share scheme.

#### EGM

All Shareholders will be entitled to vote at the EGM on: (a) the special resolution to approve and give effect to the reduction of the issued share capital of the Company on the Effective Date by the cancellation and extinguishment of the Scheme Shares in issue on the Record Date; and (b) the ordinary resolution to approve and give effect to, immediately after such cancellation, extinguishment and reduction, the restoration of the issued share capital of the Company to the amount immediately prior to such cancellation, extinguishment and reduction by the issue by the Company to the Offeror of such number of new Shares (credited as fully-paid by applying the reserve created as a result of such cancellation, extinguishment and reduction) as is equal to the number of the Scheme Shares so cancelled and extinguished.

The Offeror has indicated that, if the Scheme is approved at the Court Meeting, the Offeror, Money Success, Sino Consult, Full Brilliant, Mr. Lo and Ms. Chiu will vote in favour of: (a) the special resolution to approve and give effect to the reduction of the issued share capital of the Company on the Effective Date by the cancellation and extinguishment of the Scheme Shares in issue on the Record Date; and (b) the ordinary resolution to approve and give effect to, immediately after such cancellation, extinguishment and reduction, the restoration of the issued share capital of the Company to the amount immediately prior to such cancellation, extinguishment and reduction by the issue by the Company to the Offeror of such number of new Shares (credited as fully-paid by applying the reserve created as a result of such cancellation, extinguishment and reduction) as is equal to the number of the Scheme Shares so cancelled and extinguished.

## **REASONS FOR AND BENEFITS OF THE PROPOSAL**

### **For Scheme Shareholders**

*The Proposal is an opportunity for Independent Scheme Shareholders to monetise their Shares amidst challenging and uncertain market conditions*

The average daily trading volume of the Shares for the approximate 1-month period, 3-month period and 12-month period up to and including the Last Trading Day were approximately 45,043 Shares, 69,969 Shares and 50,439 Shares per day, representing only approximately 0.004%, 0.005% and 0.004% respectively of the 1,274,038,550 Shares in issue as at the date of this announcement.

The low trading liquidity of the Shares could make it difficult for the Independent Scheme Shareholders to execute substantial on-market disposals without adversely affecting the price of the Shares and also make it difficult for Shareholders to dispose of a large number of Shares when any event that has an adverse impact on the Company's share price occurs. The low liquidity in the trading of the Shares has also affected the Company's ability to raise funds from the equity market, which makes the Company's current listing platform no longer an effective fund-raising platform for the Company's business and future growth.

Furthermore, the Proposal is intended to provide the Independent Scheme Shareholders with an opportunity to realise their investment in the Company for cash at a premium over the prevailing share price. The Cancellation Price of HK\$0.350 per Scheme Share represents a premium ranging from approximately 78.57% to approximately 131.79% over the average closing price per Share as quoted on the Stock Exchange for the periods as mentioned under the section headed "Terms of the Proposal – Cancellation Price" in this announcement. Therefore, the Proposal, if implemented, will offer the Independent Scheme Shareholders a valuable opportunity to realise their investments in the Company at an attractive premium and to reallocate the proceeds from the disposal of the Shares to alternative investment opportunities.

The Proposal facilitates the partial settlement of the Debt between the Offeror and the MS Shareholders while maintaining a fair and equal treatment to all Scheme Shareholders.

### **For the Offeror and the Company**

#### *Limited usage of the listing platform*

The Company has not conducted any equity fund raising activities since 2015 due to the relatively low liquidity in the trading of the Shares as aforesaid and the downward trend of the trading price of the Shares in the past years. Under such circumstances, the Company is unable to fully utilise its current listing platform as a source of funding for its long term growth. It is expected that continued listing of the Shares may not provide any meaningful benefit to the Company in the near future.

*Reducing costs and expenses of maintaining the Company's listing status while enabling the Offeror to run the business of the Group in a more efficient and effective way*

The privatisation of the Company is expected to permit the Offeror to make strategic decisions focused on long-term growth and benefits, free from the pressure of market expectations, share price fluctuations and compliance requirements which arise from the Company being a publicly listed company.

The Proposal, which entails the delisting of the Company, is also expected to reduce the administrative costs and management resources associated with maintaining the Company's listing status and compliance with regulatory requirements. It could also provide more flexibility to the Group to achieve long-term commercial development free from share price fluctuations and additional costs and expenses that may arise from the Company being a publicly listed company.

### **POSSIBLE REDUCTION IN CAPITAL IN CERTAIN SUBSIDIARIES BY THE COMPANY**

The Company is considering to reduce its investment in certain subsidiaries of the Company. The Company shall comply with the applicable requirements under the Listing Rules and the Takeovers Code if such reduction in investment is subject to any applicable disclosure and/or approval requirements.

### **INTENTION OF THE OFFEROR IN RESPECT OF THE GROUP**

As at the date of this announcement, it is the intention of the Offeror for the Group to continue to carry on its existing business and the Offeror does not have any immediate plan to make any material change to: (a) the business of the Group (including any redeployment of any fixed asset of the Group); or (b) the continued employment of the employees of the Group (other than in the ordinary course of business).

### **INFORMATION ON THE OFFEROR AND MR. XUE**

Galaxy Bond is a company incorporated in the British Virgin Islands with limited liability in February 2010. As at the date of this announcement, Galaxy Bond is wholly-owned by Mr. Xue. Galaxy Bond is an investment holding company.



Mr. Xue, aged 48, graduated from the Beijing Sport University (北京體育大學). Mr. Xue is the chairman, director and holder of 60% equity interests in Chongqing Hedong Holding (Group) Co., Ltd.\* (重慶河東控股(集團)有限公司), a company established in the PRC with a registered capital of RMB150 million, which is principally engaged in steel trade, commercial real estate operations, intelligent protection technology (智能防護科技) and corporate risk management.

As at the date of this announcement, Galaxy Bond has security interests over 785,373,018 Shares (i.e. the MS Scheme Shares). The MS Scheme Shares are beneficially held by the MS Shareholders (i.e. Money Success, Full Brilliant, Sino Consult and Mr. Lo and Ms. Chiu (each being one of the Offeror Concert Parties). Pursuant to the Irrevocable Undertakings, each of the MS Shareholders has undertaken that (i) upon the Scheme being effective; and (ii) if the Offeror decides to set-off the Debt on a dollar-to-dollar basis with the sum equivalent to the Cancellation Price of HK\$0.350 for each MS Scheme Share cancelled and extinguished, each of the MS Shareholders shall agree to such alternative arrangement. Galaxy Bond (i.e. the Offeror) subsequently confirmed its intention to set-off the Debt.

#### INFORMATION ON THE GROUP

The Company and its subsidiaries are principally engaged in investment property holding in the PRC, provision of financing to customers in the PRC and Hong Kong, investment holding, sales of flowers and plants and distressed assets management.

The following is a summary of (i) the audited financial results of the Group for each of the two financial years ended 31 December 2023; and (ii) the unaudited financial results of the Group for the six months ended 30 June 2024 as extracted from the published financial statements of the Group for the relevant years/period.

	Year ended 31 December		Six months ended 30 June
	2022	2023	2024
	HK\$'000	HK\$'000	HK\$'000
Revenue	107,120	72,582	37,550
Profit/(loss) before income tax	(15,394)	38,507	21,373
Income tax expenses	(3,105)	(18,616)	(6,435)
Profit/(loss) for the year/period	(18,499)	19,891	14,938
Profit/(loss) for the year/period attributable to:			
– Owners of the Company	(17,317)	13,286	10,698
– Non-controlling interests	(1,182)	6,605	4,240
Earnings/(loss) per share for profit attributable to equity holders of the Company			
– Basic and diluted (HK cents)	(1.36)	1.04	0.84

The audited net assets attributable to owners of the Company as at 31 December 2023 was approximately HK\$763,246,000, and the unaudited net assets attributable to owners of the Company as at 30 June 2024 was approximately HK\$737,879,000.

#### FINANCIAL ADVISER TO THE OFFEROR

The Offeror has appointed Somerley as their financial adviser in connection with the Proposal.

#### INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising: (a) Mr. Pan Chuan (non-executive Director); (b) Ms. Sun Lin (non-executive Director); (c) Mr. Chan Ying Kay (independent non-executive Director); (d) Mr. Leung Kin Hong (independent non-executive Director); and (e) Mr. Wang Jin Ling (independent non-executive Director), has been established by the Board in accordance with Rule 2.1 of the Takeovers Code to make recommendations to the Independent Scheme Shareholders as to: (i) whether the terms of the Proposal and the Scheme are, or are not, fair and reasonable; and (ii) whether to vote in favour of the Scheme at the Court Meeting and the EGM.

## **INDEPENDENT FINANCIAL ADVISER**

Lego Corporate Finance Limited has been appointed by the Company, with the approval of the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code, to advise the Independent Board Committee as to: (a) whether the terms of the Proposal and the Scheme are, or are not, fair and reasonable; and (b) voting by the Independent Scheme Shareholders at the Court Meeting.

## **WITHDRAWAL OF LISTING OF THE SHARES ON THE STOCK EXCHANGE**

Upon the Scheme becoming effective, all the Scheme Shares in issue on the Record Date will be cancelled and extinguished and the share certificates in respect of such Scheme Shares will thereafter cease to have effect as documents or evidence of title. The Company will make an application to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange, in accordance with Rule 6.15(2) of the Listing Rules, with effect immediately following the Effective Date.

The Scheme Shareholders will be notified by way of an announcement of the exact dates of the last day for dealing in the Shares on the Stock Exchange and the day on which the Scheme and the withdrawal of the listing of the Shares on the Stock Exchange will become effective. A detailed timetable of the implementation of the Proposal will be included in the Scheme Document, which will also contain, among other things, further details of the Scheme.

## **IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES**

Subject to the requirements of the Takeovers Code, the Proposal will lapse if any of the Conditions has not been fulfilled or waived, as applicable, on or before the Long Stop Date. If the Scheme is not approved or the Proposal otherwise lapses, the listing of the Shares on the Stock Exchange will not be withdrawn.

If the Scheme is not approved or the Proposal otherwise lapses, there are restrictions under the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with it in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may, within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses, announce an offer or possible offer for the Company, except with the consent of the Executive.

If either the Independent Board Committee or the Independent Financial Adviser does not recommend the Proposal or the Scheme, and the Scheme is not approved, all costs and expenses incurred by the Company in connection with the Proposal and the Scheme shall be borne by the Offeror in accordance with Rule 2.3 of the Takeovers Code.

If the Proposal and the Scheme are recommended by the Independent Board Committee and the Independent Financial Adviser, the Company and the Offeror have agreed that: (a) all costs, fees, charges and expenses of any professional adviser engaged or to be engaged by the Offeror (including Somerley Group) will be borne by the Offeror; (b) all costs, fees, charges and expenses of any

professional adviser engaged or to be engaged by the Company (including the Independent Financial Adviser) will be borne by the Company; and (c) all other costs, fees, charges and expenses in relation to the Proposal and the Scheme will be shared between the Company and the Offeror in equal shares.

## **OVERSEAS HOLDERS OF SCHEME SHARES**

The availability of the Proposal to persons who are citizens, residents or nationals of a jurisdiction other than Hong Kong may be affected by the laws of the relevant jurisdictions in which they are located or resided or of which they are citizens. Persons who are citizens, residents or nationals of a jurisdiction other than Hong Kong should inform themselves about, and observe, any applicable legal, regulatory or tax requirements of the relevant jurisdictions in which they are located or resided or of which they are citizens and, where necessary, seek their own legal advice. Further details in relation to overseas holders of the Scheme Shares will be contained in the Scheme Document.

It is the responsibility of the persons who are citizens, residents or nationals of a jurisdiction other than Hong Kong and who wish to take any action in relation to the Proposal and/or the Scheme to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with any such action (including the obtaining of any governmental, exchange control or other consent which may be required, the compliance with any other necessary formality and the payment of any issue, transfer or other tax in any relevant jurisdiction). Any acceptance by such persons will be deemed to constitute a representation and warranty from such persons to the Offeror, the Company and their respective advisers (including Somerley) that such laws and regulations have been complied with. If you are in doubt as to your position, you should consult your professional advisers.

In the event that the despatch of the Scheme Document to the holders of the Scheme Shares who are citizens, residents or nationals of a jurisdiction other than Hong Kong is prohibited by any relevant law or regulation or may only be effected after compliance with conditions or requirements that the Directors regard as unduly onerous or burdensome (or otherwise not in the best interests of the Company or the Shareholders), the Scheme Document may not be despatched to such holders of the Scheme Shares. For that purpose, the Company will apply for such waivers as may be required by the Executive pursuant to Note 3 to Rule 8 of the Takeovers Code at such time. Any such waiver will only be granted if the Executive is satisfied that it would be unduly burdensome to despatch the Scheme Document to such holders of the Scheme Shares. In granting any such waiver, the Executive will be concerned to see that all material information in the Scheme Document is made available to such holders of the Scheme Shares.

## **TAXATION ADVICE**

Scheme Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of the Proposal or the Scheme. It is emphasised that none of the Offeror, persons acting in concert with the Offeror, the Company, Somerley Group, the Independent Financial Adviser, their respective ultimate beneficial owners, directors, officers, agents and associates and any other person involved in the Proposal or the Scheme accepts any responsibility for any taxation effects on, or liabilities of, any person as a result of the Proposal or the Scheme.



## DESPATCH OF THE SCHEME DOCUMENT

A Scheme Document including, among other things: (a) further details of the Proposal and the Scheme; (b) an explanatory statement of the Scheme; (c) the expected timetable relating to the Proposal and the Scheme; (d) the letter from the Independent Board Committee containing its recommendations to the Independent Scheme Shareholders in respect of the Proposal and the Scheme; (e) the letter of advice from the Independent Financial Adviser containing its advice to the Independent Board Committee in respect of the Proposal and the Scheme; and (f) notices of the Court Meeting and the EGM (including proxy forms relating to such meetings for use by the relevant Shareholders) will be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code and applicable laws and regulations.

## MATERIAL ARRANGEMENTS

As at the date of this announcement:

- (a) the Proposal and the Scheme, there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the Shares or the shares of the Offeror which might be material to the Proposal;
- (b) there is no agreement or arrangement to which the Offeror is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a Condition to the Proposal;
- (c) save for the Irrevocable Undertakings, neither the Offeror nor any of the Offeror Concert Parties has received any irrevocable commitment to vote for or against the Proposal;
- (d) there is no understanding, arrangement or agreement which constitutes a “special deal” (as defined in Rule 25 of the Takeovers Code) between (a) any Shareholder; and (b) (i) the Offeror or any Offeror Concert Party; or (ii) the Company or any of the subsidiaries or associated companies of the Company; and
- (e) save for the Cancellation Price, there is no other consideration, compensation or benefit in whatever form paid or to be paid by the Offeror or the Offeror Concert Parties to the holders of the Scheme Shares or their concert parties in relation to the Scheme Shares.

## DEALINGS DISCLOSURES

In accordance with Rule 3.8 of the Takeovers Code, the respective associates (as defined in the Takeovers Code) of the Offeror and the Company (including any person who owns or controls 5% or more of any class of the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Offeror or the Company) are hereby reminded to disclose their dealings in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company under 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 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.”*

## RESUMPTION OF TRADING

At the request of the Company, trading in the Shares was halted with effect from 9:00 a.m. on 26 August 2024 pending the publication of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 3 September 2024.

## DEFINITIONS

Unless the context requires otherwise, the following expressions shall have the following meanings in this announcement:

“acting in concert”	has the meaning given to it in the Takeovers Code;
“Applicable Laws”	means any and all laws, rules, regulations, judgments, decisions, decrees, orders, injunctions, treaties, directives, guidelines, standards, notices and/ or other legal, regulatory and/ or administrative requirements of any Authority;

“Approvals”	means any approval, authorisation, ruling, permission, waiver, consent, licence, permit, clearance, registration or filing which is required or desirable under any Applicable Law, or any licence, permit or contractual obligation of any member of the Group, for or in connection with the Proposal or the implementation of the Proposal (including the withdrawal of the listing of the Shares on the Stock Exchange) in accordance with its terms and conditions, in each case excluding, for the avoidance of doubt, any filing or notification to any Authority with competent jurisdiction which does not require such Authority’s approval, acknowledgement, permission, consent or clearance;	“Debt”	means the debt of approximately HK\$317.2 million (i.e. HK\$198,000,000 loan principal and accrued interest) owed by Money Success to Galaxy Bond as at the date of this announcement. Subsequent to the Scheme being effective, the remaining outstanding amount of the debt, being approximately HK\$42.3 million, will be settled in cash;
“Authority”	means any supranational, national, federal, state, regional, provincial, municipal, local or other government, governmental, quasi-governmental, legal, regulatory or administrative authority, department, branch, agency, commission, bureau or body (including any securities or stock exchange) or any court, tribunal, or judicial or arbitral body;	“Director(s)”	means the director(s) of the Company;
“Board”	means the board of Directors;	“Disinterested Share(s)”	has the meaning given to it in section 674(3) of the Companies Ordinance;
“Cancellation Price”	means the cancellation price of HK\$0.350 per Scheme Share cancelled and extinguished, either (i) payable in cash by the Offeror to the Remaining Scheme Shareholders; or (ii) to partially offset the Debt in respect of the MS Shareholders, pursuant to the Scheme;	“Effective Date”	means the date on which the Scheme becomes effective in accordance with the Companies Ordinance;
“Companies Ordinance”	means the Companies Ordinance (Chapter 622 of the Laws of Hong Kong);	“EGM”	means an extraordinary general meeting of the Company to be held after the Court Meeting for the purpose of, among other things, approving the reduction of the share capital of the Company and implementing the Scheme;
“Company”	means Doyen International Holdings Limited (Stock Code: 668), a company incorporated in Hong Kong with limited liability and the issued Shares of which are listed on the Stock Exchange;	“Executive”	means the Executive Director of the Corporate Finance Division of the SFC or any delegate(s) of the Executive Director;
“Condition(s)”	means the condition(s) to the implementation of the Proposal as set out in the section headed “Conditions of the Proposal” in this announcement;	“Financing”	means the loan facility provided by the Lender to the Offeror which is secured by, among others, a charge over the Shares that are owned by Mr. Xue and will be owned by Galaxy Bond under the Proposal, for the sole purpose of financing part of the cash requirement for the Proposal;
“Control”	has the meaning given to it in the Takeovers Code and “Controlling” and “Controlled” shall be construed accordingly;	“Full Brilliant”	means FULL BRILLIANT LIMITED (盛智有限公司), a company incorporated in the British Virgin Islands with limited liability, which was beneficially and wholly owned by Mr. Lo as at the date of this announcement, and is the beneficial owner of 30,000,000 Shares, which were charged in favour of Galaxy Bond as at the date of this announcement;
“Court”	means the High Court of Hong Kong;	“Galaxy Bond”	means GALAXY BOND HOLDINGS LIMITED (銀邦控股有限公司), a company incorporated in the British Virgin Islands with limited liability, which is deemed to be interested in 785,373,018 Shares, as a person having security interest over such Shares, at the date of this announcement and was beneficially wholly-owned by Mr. Xue as at the date of this announcement;
“Court Meeting”	means a meeting of the holders of the Scheme Shares to be convened at the direction of the Court at which the Scheme will be voted upon;	“Group”	means the Company and its subsidiaries;

“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong;	“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange;
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC;	“Lender”	means Quam Securities Limited, which is presumed to be acting in concert with the Offeror in relation to the Proposal by virtue of class (9) of the definition of “acting in concert” under the Takeovers Code by virtue of its provision of the Financing to the Offeror to finance part of the cash requirement for the Proposal;
“Independent Board Committee”	means the independent committee of the Board, comprising: (a) Mr. Pan Chuan (non-executive Director); (b) Ms. Sun Lin (non-executive Director); (c) Mr. Chan Ying Kay (independent non-executive Director); (d) Mr. Leung Kin Hong (independent non-executive Director); and (e) Mr. Wang Jin Ling (independent non-executive Director), established by the Board in accordance with Rule 2.1 of the Takeovers Code to make recommendations to the Independent Scheme Shareholders as to: (a) whether the terms of the Proposal and the Scheme are, or are not, fair and reasonable; and (b) whether to vote in favour of the Scheme at the Court Meeting and the EGM;	“Long Stop Date”	means 30 June 2025 (or such later date as may be agreed between the Offeror and the Company or, to the extent applicable, as the Executive may consent and/or the Court may direct);
“Independent Financial Adviser”	means Lego Corporate Finance Limited, a licensed corporation to carry on type 6 (advising on corporate finance) regulated activities under the SFO, the independent financial adviser appointed by the Company, with the approval of the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code, to advise the Independent Board Committee as to: (a) whether the terms of the Proposal and the Scheme are, or are not, fair and reasonable; and (b) voting by the Independent Scheme Shareholders at the Court Meeting and the EGM;	“Money Success”	means MONEY SUCCESS LIMITED (華銀有限公司), a company incorporated in the British Virgin Islands with limited liability, which was beneficially and wholly owned by Mr. Lo as at the date of this announcement, and is the beneficial owner of 670,373,018 Shares, which were charged in favour of Galaxy Bond as at the date of this announcement;
“Independent Scheme Shareholder(s)”	means the Shareholder(s) (other than the Offeror and the Offeror Concert Parties);	“Mr. Lo”	means Mr. Lo Siu Yu, an executive Director, beneficially owns 25,000,000 Shares (jointly with Ms. Chiu). Mr. Lo Siu Yu is also deemed to be interested in an aggregate of 760,373,018 Shares beneficially owned by (i) Money Success; (ii) Full Brilliant; and (iii) Sino Consult. Such aggregate 785,373,018 Shares were charged in favour of Galaxy Bond as at the date of this announcement;
“Independent Scheme Share(s)”	means the Share(s) (other than the Share(s) which are beneficially owned by the Offeror and the Offeror Concert Parties);	“Mr. Xue”	means Mr. Xue Yuewu, the beneficial owner of 108,000,000 Shares as at the date of this announcement, and is the sole shareholder and director of Galaxy Bond as at the date of this announcement;
“Irrevocable Undertakings”	means the irrevocable undertakings entered into by each of (i) Money Success; (ii) Full Brilliant; (iii) Sino Consult; and (iv) jointly by Mr. Lo and Ms. Chiu on 2 September 2024 in favour of the Offeror in connection with the Proposal, details of which are set out in the section headed “Irrevocable Undertakings” in this announcement;	“Ms. Chiu”	means Ms. Chiu Kit Hung, the spouse of Mr. Lo, beneficially owns 25,000,000 Shares (jointly with Mr. Lo), which were charged in favour of Galaxy Bond as at the date of this announcement;
“IU Shares”	means Shares held by each of (i) Money Success; (ii) Full Brilliant; (iii) Sino Consult; and (iv) jointly by Mr. Lo and Ms. Chiu;	“MS Scheme Share(s)”	means the aggregate 785,373,018 Shares, which are beneficially owned by Money Success, Sino Consult, Full Brilliant, and Mr. Lo and Ms. Chiu, and Galaxy Bond was deemed to have a security interest over such Shares;
“Last Trading Day”	means 23 August 2024, being the last day on which the Shares were traded on the Stock Exchange before trading in the Shares was halted with effect from 9:00 a.m. on 26 August 2024 pending the publication of this announcement;	“MS Shareholder(s)”	means holders of the MS Scheme Shares (i.e. Money Success, Sino Consult, Full Brilliant, Mr. Lo and Ms. Chiu);
		“Offeror”	means Galaxy Bond;

<p>“Offeror Concert Party(ies)”</p>	<p>means persons who are acting in concert or presumed to be acting in concert with the Offeror under the Takeovers Code in respect of the Company, which includes:</p> <p>(a) Mr. Xue, the sole beneficial owner of Galaxy Bond;</p> <p>(b) Mr. Lo, an executive Director and companies beneficially and wholly owned by Mr. Lo, including Money Success, Full Brilliant and Sino Consult;</p> <p>(c) Ms. Chiu, the spouse of Mr. Lo;</p> <p>(d) Mr. Cho Chun Wai, an executive Director;</p> <p>(e) members of Somerley Group (as Somerley is the financial adviser to the Offeror in connection with the Proposal, and are therefore presumed to be acting in concert with the Offeror by virtue of class (5) of the definition of “acting in concert” under the Takeovers Code); and</p> <p>(f) the Lender (as the Lender provides the Financing to the Offeror, and is therefore presumed to be acting in concert with the Offeror by virtue of class (9) of the definition of “acting in concert” under the Takeovers Code);</p>	<p>“Remaining Scheme Shareholders”</p> <p>“Scheme”</p> <p>“Scheme Document”</p> <p>“Scheme Share(s)”</p> <p>“Scheme Shareholder(s)”</p> <p>“SFC”</p> <p>“SFO”</p> <p>“Share(s)”</p> <p>“Shareholder(s)”</p> <p>“Sino Consult”</p> <p>“Somerley”</p> <p>“Somerley Group”</p> <p>“special resolution”</p>	<p>means the holders of the Remaining Scheme Shares;</p> <p>means the scheme of arrangement to be proposed under section 673 of the Companies Ordinance for the implementation of the Proposal;</p> <p>means the composite scheme document of the Offeror and the Company containing, among other things, further details of the Proposal with the additional information set out in the section headed “Despatch of the Scheme Document” in this announcement;</p> <p>means the Share(s) in issue other than those which are held or beneficially owned by Galaxy Bond (i.e. the Offeror) or Mr. Xue (i.e. collectively, the MS Scheme Shares and the Remaining Scheme Shares);</p> <p>means the registered holder(s) of the Scheme Share(s) as at the Record Date;</p> <p>means the Securities and Futures Commission of Hong Kong;</p> <p>means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);</p> <p>means the ordinary share(s) in the share capital of the Company;</p> <p>means the registered holder(s) of the Share(s);</p> <p>means SINO CONSULT ASIA LIMITED, a company incorporated in the British Virgin Islands with limited liability, which was beneficially and wholly owned by Mr. Lo as at the date of this announcement, and is the beneficial owner of 60,000,000 Shares, which were charged in favour of Galaxy Bond as at the date of this announcement;</p> <p>means Somerley Capital Limited, a licensed corporation under the SFO to carry on type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, and the financial adviser to the Offeror in connection with the Proposal;</p> <p>means Somerley and persons Controlling, Controlled by, or under the same Control as Somerley;</p> <p>has the meaning given to it in section 564 of the Companies Ordinance;</p>
<p>“ordinary resolution”</p> <p>“PRC” or “China” or “Mainland China”</p> <p>“Proposal”</p> <p>“Record Date”</p> <p>“Remaining Scheme Share(s)”</p>	<p>has the meaning given to it in section 563 of the Companies Ordinance;</p> <p>means the People’s Republic of China and, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan;</p> <p>means the proposal for privatisation of the Company by the Offeror by way of the Scheme and for the withdrawal of listing of the Shares on the Stock Exchange, on the terms and subject to the conditions set out in this announcement;</p> <p>means the record date to be announced for determining the entitlement of the Scheme Shareholders under the Scheme;</p> <p>means the Scheme Shares excluding the MS Scheme Shares (i.e. the Shares beneficially owned by Money Success, Full Brilliant, Sino Consult, Mr. Lo and Ms. Chiu (each being one of the Offeror Concert Parties));</p>		

announcement (other than those expressed by the sole director of Galaxy Bond ) 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 sole director of Galaxy Bond is Mr. Xue Yuewu.

The sole director of Galaxy Bond accepts full responsibility for the accuracy of the information contained in this joint announcement (other than any information relating to the Group) and confirm, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors) 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.

“Stock Exchange” means The Stock Exchange of Hong Kong Limited;

“subsidiaries” has the meaning given to it in the Listing Rules;

“Takeovers Code” means the Hong Kong Code on Takeovers and Mergers;

“U.S.” or “United States” means the United States of America; and

“%” means per cent.

\* For identification purposes only

By order of the sole director of **GALAXY BOND HOLDINGS LIMITED**  
**Xue Yuewu**  
Sole director

By Order of the Board  
**Doyen International Holdings Limited**  
**Lo Siu Yu**  
Chairman

Hong Kong, 2 September 2024

As at the date of this joint announcement, the Board comprises Mr. Lo Siu Yu (Chairman), and Mr. Cho Chun Wai as executive Directors; Mr. Pan Chuan and Ms. Sun Lin as non-executive Directors; and Mr. Chan Ying Kay, Mr. Leung Kin Hong and Mr. Wang Jin Ling as independent non-executive Directors.

Mr. Lo Siu Yu, an executive Director, accepts full responsibility for the accuracy of the information contained in this joint announcement (other than any information relating to the Offeror and the Offeror Concert Parties (except information relating to himself, Ms. Chiu, Money Success, Full Brilliant and Sino Consult)) and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than those expressed by the sole director of Galaxy Bond) 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.

Mr. Cho Chun Wai, an executive Director, accepts full responsibility for the accuracy of the information contained in this joint announcement (other than any information relating to the Offeror and the Offeror Concert Parties (except information relating to himself)) and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than those expressed by the sole director of Galaxy Bond) 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.

The non-executive Directors and independent non-executive Directors (namely, Mr. Pan Chuan, Ms. Sun Lin, Mr. Chan Ying Kay, Mr. Leung Kin Hong and Mr. Wang Jin Ling) jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than any information relating to the Offeror and the Offeror Concert Parties) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint