
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Scheme Document or as to the action to be taken, you should consult your licensed securities dealer or other registered securities institution, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in DOYEN INTERNATIONAL HOLDINGS LIMITED, you should at once hand this Scheme Document and the accompanying forms of proxy to the purchaser or transferee or to the licensed securities dealer or registered securities institution or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Scheme Document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Scheme Document.

This Scheme Document appears for information purposes only and is not intended to and does not constitute an offer or invitation to acquire, purchase or subscribe for any securities of DOYEN INTERNATIONAL HOLDINGS LIMITED, GALAXY BOND HOLDINGS LIMITED, or any other entity, nor is it a solicitation of any vote or approval in any jurisdiction in which such solicitation or vote would be unlawful. This Scheme Document is not for release, publication or distribution, in whole or in part, in any jurisdiction where to do so would constitute a violation of the relevant laws or regulations of such jurisdiction.



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

**(1) PROPOSAL FOR THE PRIVATISATION OF
DOYEN INTERNATIONAL HOLDINGS LIMITED
BY THE OFFEROR BY WAY OF A SCHEME OF ARRANGEMENT
UNDER SECTION 673 OF THE COMPANIES ORDINANCE;
AND
(2) PROPOSED WITHDRAWAL OF LISTING OF THE SHARES OF
DOYEN INTERNATIONAL HOLDINGS LIMITED**

Financial adviser to the Offeror



**Independent Financial adviser to
the Independent Board Committee**



Unless the context requires otherwise, capitalised terms used in this Scheme Document (including this cover page) shall have the same meanings as those defined in the section headed "Definitions" in this Scheme Document.

A letter from the Board is set out on pages 14 to 32 of this Scheme Document. A letter from the Independent Board Committee containing its recommendations to the Independent Scheme Shareholders in respect of the Proposal and the Scheme is set out on pages 33 to 34 of this Scheme Document. A letter from Lego Corporate Finance Limited, being the Independent Financial Adviser, containing its advice to the Independent Board Committee in respect of the Proposal and the Scheme is set out on pages 35 to 66 of this Scheme Document. The Explanatory Statement is set out on pages 67 to 100 of this Scheme Document.

The actions to be taken by the Shareholders and Beneficial Owners whose shares are held by a Registered Owner or deposited in CCASS are set out on pages v to viii of this Scheme Document.

Notices convening the Court Meeting to be held at 10:00 a.m. on Friday, 17 January 2025, and the EGM to be held at 10:30 a.m. on Friday, 17 January 2025 (or immediately on the same day and at the same place after the Court Meeting shall have been concluded or adjourned), are set out in Appendix V and Appendix VI to this Scheme Document respectively. Whether or not you are able to attend the Court Meeting and/or the EGM or any adjournment thereof, you are strongly advised to complete and sign the enclosed pink form of proxy in respect of the Court Meeting and the enclosed white form of proxy in respect of the EGM, in accordance with the instructions printed thereon, and return them to the Company's share registrar, Computershare Hong Kong Investor Services Limited of 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible but in any event not later than the respective times and dates as stated on pages V-2 and VI-3 of this Scheme Document. If the pink form of proxy is not so lodged, it may also be handed to the Chairman of the Court Meeting who shall have absolute discretion as to whether or not to accept it. Completion and return of the forms of proxy for the Court Meeting and/or the EGM will not preclude you from attending and voting in person at the relevant meeting or any adjournment thereof, should you so wish. In the event that you attend and vote at the relevant meeting or any adjournment thereof after having lodged your forms of proxy, whether by physical attendance or online attendance through the Online Platform in the case of the Overseas Shareholders, the returned forms of proxy shall be deemed to have been revoked by operation of law.

This Scheme Document is issued jointly by the Offeror and the Company. This Scheme Document is also available on the websites of the Stock Exchange at <http://www.hkexnews.hk> and the Company at <http://www.doyenintl.com>. The English language text of this Scheme Document shall prevail over the Chinese text for the purpose of interpretation.

20 December 2024

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 and 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 U.S. 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, 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 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 of the Company is recommended to consult his/her/its independent professional adviser immediately regarding the tax consequences of the Proposal and the Scheme applicable to him/her/it.

It may be difficult for a U.S. holder of the securities of the Company to enforce his/her/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 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 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 of the Proposal or the Scheme, or determined if this Scheme Document is accurate or complete. Any representation to the contrary is a criminal offence in the United States.

This Scheme Document 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 Offeror or the Company in the United States.

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

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

Notice to Japan investors

Under the Scheme, the consideration for cancellation of the Scheme Shares is by cash, and not by shares, thus, the Scheme does not involve a solicitation of securities under the Financial Instrument and Exchange Act (“FIEL”). Even if the Proposal included solicitation of some securities, the Scheme nevertheless would not be subject to registration under FIEL on the ground that such solicitation would constitute “shoninzu-muke kanyu” (in Japanese, and translated into English as a “solicitation to a small number of investors”) under FIEL. The Financial Services Agency of Japan and the Kanto Local Finance Bureau have not passed upon the accuracy or adequacy of this Scheme Document or otherwise approved or authorised the Scheme to investors residing in Japan and no such approval or authorisation will be sought.

PAST PERFORMANCE AND FORWARD-LOOKING STATEMENTS

The performance and the results of operations of the Group contained in this Scheme Document are historical in nature and past performance is not a guarantee of the future results of the Group.

This Scheme Document includes certain “forward-looking statements”. These statements are based on the current expectations of the management of the Offeror and/or the Company (as the case may be) and are naturally subject to uncertainty and changes in circumstances. The forward-looking statements contained in this Scheme Document include statements about the expected effects of the Proposal on the Company, the expected timing and scope of the Proposal, and all other statements in this Scheme Document other than historical facts.

Forward-looking statements include, without limitation, statements typically containing words such as “believe”, “expect”, “anticipate”, “intend”, “plan”, “seek”, “estimate”, “will”, “would” or words of similar meaning, that involve risks and uncertainties, as well as assumptions. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to, the satisfaction of the conditions of the Proposal, as well as additional factors, such as general, social, economic and political conditions in the countries in which the Offeror and/or the Group operate or other countries which have an impact on the Offeror’s and/or the Group’s business activities or investments, interest rates, the monetary and interest rate policies of the countries in which the Offeror and/or the Group operate, inflation or deflation, foreign exchange rates, the performance of the financial markets in the countries in which the Offeror and/or the Group operate and globally, changes in domestic and foreign laws, regulations and taxes, changes in competition and the pricing environments in the countries in which the Offeror and/or the Group operate and regional or general changes in asset valuations and disruptions or reductions in travel and operations due to natural or man-made disasters, pandemics, epidemics or outbreak of infections or contagious diseases such as novel coronavirus. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements.

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

All written and oral forward-looking statements attributable to the Offeror, the Company or persons acting on behalf of any of them are expressly qualified in their entirety by the cautionary statements above. The forward-looking statements included herein are made only as at the Latest Practicable Date. Any forward-looking statement contained in this Scheme Document based on past or current trends and/or activities of the Company should not be taken as a representation that such trends or activities will continue in the future. No statement in this Scheme Document is intended to be a profit forecast or to imply that the earnings of the Company for the current year or future years will necessarily match or exceed their respective historical or published earnings. Each forward-looking statement relates only to information available as at the date of the particular statement. Subject to the requirements of the Takeovers Code and other applicable laws and regulations, each of the Offeror and the Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in their expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

CONTENTS

ACTIONS TO BE TAKEN	v
DEFINITIONS	1
EXPECTED TIMETABLE	11
LETTER FROM THE BOARD	14
LETTER FROM THE INDEPENDENT BOARD COMMITTEE	33
LETTER FROM THE INDEPENDENT FINANCIAL ADVISER	35
EXPLANATORY STATEMENT	67
APPENDIX I – FINANCIAL INFORMATION OF THE GROUP	I-1
APPENDIX II – PROPERTY VALUATION REPORT	II-1
APPENDIX III – GENERAL INFORMATION	III-1
APPENDIX IV – SCHEME OF ARRANGEMENT	IV-1
APPENDIX V – NOTICE OF COURT MEETING	V-1
APPENDIX VI – NOTICE OF EGM	VI-1
APPENDIX VII – DOCUMENTS AVAILABLE FOR INSPECTION AND ON DISPLAY	VII-1
ACCOMPANYING DOCUMENT – FORM OF PROXY FOR THE COURT MEETING	
ACCOMPANYING DOCUMENT – FORM OF PROXY FOR THE EGM	

ACTIONS TO BE TAKEN

ACTIONS TO BE TAKEN

Actions to be taken by the Shareholders

For the purpose of determining the entitlement of the Scheme Shareholders to attend and vote at the Court Meeting and the entitlement of the Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Friday, 10 January 2025 to Friday, 17 January 2025 (both days inclusive) (or such other dates as may be notified by the Company by way of announcement(s)), and during such period, no transfer of the Shares will be registered. In order to qualify to attend and vote at the Court Meeting and the EGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712 – 1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. (Hong Kong time) on Thursday, 9 January 2025.

Form of proxy

A **pink** form of proxy for use at the Court Meeting and a **white** form of proxy for use at the EGM are enclosed with copies of this Scheme Document despatched as required to the Shareholders. Alternatively, copies of the forms of proxy can be: (i) obtained from the Company's share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong; or (ii) downloaded from the websites of either the Stock Exchange at www.hkexnews.hk or the Company at <http://www.doyenintl.com>.

Whether or not you intend to attend the Court Meeting and/or the EGM or any adjournment thereof in person, if you are a Scheme Shareholder, you are strongly recommended to complete and sign the enclosed **pink** form of proxy in respect of the Court Meeting, and if you are a Shareholder, you are strongly recommended to complete and sign the enclosed **white** form of proxy in respect of the EGM, in accordance with the instructions printed thereon, and to lodge them at the office of the Company's share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. **In order to be valid, the pink form of proxy for use at the Court Meeting should be lodged not less than 48 hours before the time appointed for holding the Court Meeting (i.e. on or before Wednesday, 15 January 2025 at 10:00 a.m. (Hong Kong time)) or any adjourned meeting thereof. If the pink form of proxy is not so lodged, it may also be handed to the Chairman of the Court Meeting who shall have absolute discretion as to whether or not to accept it. The white form of proxy for use at the EGM should be lodged not less than 48 hours before the time appointed for holding the EGM (i.e. on or before Wednesday, 15 January 2025 at 10:30 a.m. (Hong Kong time)) or any adjourned meeting thereof.** Completion and delivery of an instrument appointing a proxy for the Court Meeting and/or the EGM shall not preclude you from attending and voting in person at the relevant meeting or any adjournment thereof, and in such event, the instrument appointing a proxy shall be deemed to be revoked.

ACTIONS TO BE TAKEN

If you do not appoint a proxy and you do not attend and vote at the Court Meeting and/or the EGM, you will still be bound by the outcome of the Court Meeting and/or the EGM. You are therefore strongly recommended to attend and vote at the Court Meeting and/or the EGM in person or by proxy.

Voting at the Court Meeting and the EGM will be taken by poll as required under the Listing Rules and the Takeovers Code.

Announcement of the results of the Court Meeting and the EGM

The Offeror and the Company will make an announcement in relation to the results of the Court Meeting and the EGM in accordance with Rule 19.1 of the Takeovers Code to the extent applicable. If all the resolutions are passed at the Court Meeting and the EGM, further announcement(s) will be made by the Company on the results of the hearing of the petition for the sanction of the Scheme by the Court and, if the Scheme is sanctioned, the Effective Date and the date of withdrawal of the listing of the Shares on the Stock Exchange in accordance with the requirements of the Takeovers Code and the Listing Rules.

ACTIONS TO BE TAKEN BY BENEFICIAL OWNERS WHOSE SHARES ARE HELD BY A REGISTERED OWNER OR DEPOSITED IN CCASS

No person shall be recognised by the Company as holding any Shares on trust.

If you are a Beneficial Owner whose Shares are registered in the name of a nominee, trustee, depository or any other authorised custodian or third party, you should contact such Registered Owner to give instructions to and/or to make arrangements with such Registered Owner as to the manner in which the Shares beneficially owned by you should be voted at the Court Meeting and/or the EGM.

If you are a Beneficial Owner who wishes to attend the Court Meeting and/or the EGM personally, you should: (a) contact the Registered Owner directly to make the appropriate arrangements with the Registered Owner to enable you to attend and vote at the Court Meeting and/or the EGM and, for such purpose, the Registered Owner may appoint you as his/her/its proxy; or (b) arrange for some or all of the Shares registered in the name of the Registered Owner to be transferred into your own name, if you wish to vote (in person or by proxy) at the Court Meeting and/or the EGM.

The appointment of a proxy by the Registered Owner at the Court Meeting and/or the EGM shall be in accordance with all relevant provisions in the articles of association of the Company.

In the case of the appointment of a proxy by the Registered Owner, the relevant forms of proxy shall be completed and signed by the Registered Owner and shall be lodged in the manner and no later than the latest time for lodging the relevant forms of proxy as more particularly set out in this Scheme Document.

ACTIONS TO BE TAKEN

Completion and delivery of an instrument appointing a proxy for the Court Meeting and/or the EGM shall not preclude the Shareholders from attending and voting in person at the relevant meeting or any adjournment thereof, and in such event, the instrument appointing a proxy shall be deemed to be revoked.

Instructions to and/or arrangements with the Registered Owner should be given or made in advance of the relevant latest time for the lodgement of the forms of proxy in respect of the Court Meeting and/or the EGM in order to provide the Registered Owner with sufficient time to complete his/her/its forms of proxy accurately and to submit them by the deadline. To the extent that any Registered Owner requires instructions from or arrangements to be made with any Beneficial Owner at a particular date or time in advance of the relevant latest time for the lodgement of the forms of proxy in respect of the Court Meeting and/or the EGM, such Beneficial Owner should comply with the requirements of such Registered Owner.

HKSCC Nominees may vote for and against the Scheme in accordance with instructions received from CCASS participants.

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered under the name of HKSCC Nominees, you must, unless you are an Investor Participant, contact your broker, custodian, nominee or other relevant person who is, or has, in turn, deposited such Shares with, a CCASS participant regarding voting instructions to be given to such persons, or alternatively to arrange for some or all of such Shares to be withdrawn from CCASS and transferred into your own name, if you wish to vote in respect of the Scheme. The procedure for voting in respect of the Scheme by the Investor Participants and the Other CCASS Participants with respect to Shares registered under the name of HKSCC Nominees shall be in accordance with the “Operating Guide for Investor Participants”, the “General Rules of CCASS” and the “CCASS Operational Procedures” in effect from time to time.

EXERCISING YOUR RIGHT TO VOTE

IF YOU ARE A SHAREHOLDER OR A BENEFICIAL OWNER, THE OFFEROR AND THE COMPANY STRONGLY RECOMMEND YOU TO EXERCISE YOUR RIGHT TO VOTE OR GIVE INSTRUCTIONS TO THE RELEVANT REGISTERED OWNER TO VOTE IN PERSON OR BY PROXY AT THE COURT MEETING AND AT THE EGM. IF YOU KEEP ANY SHARES IN A SHARE LENDING PROGRAMME, THE OFFEROR AND THE COMPANY URGE YOU TO RECALL ANY OUTSTANDING SHARES ON LOAN TO AVOID MARKET PARTICIPANTS USING BORROWED SHARES TO VOTE.

IF YOU ARE A REGISTERED OWNER HOLDING SHARES ON BEHALF OF BENEFICIAL OWNERS, THE OFFEROR AND THE COMPANY WOULD BE GRATEFUL IF YOU WOULD INFORM THE RELEVANT BENEFICIAL OWNERS ABOUT THE IMPORTANCE OF EXERCISING THEIR RIGHT TO VOTE.

ACTIONS TO BE TAKEN

IF THE PROPOSAL IS APPROVED, IT WILL BE BINDING ON ALL OF THE SCHEME SHAREHOLDERS, IRRESPECTIVE OF WHETHER OR NOT YOU ATTENDED OR VOTED AT THE COURT MEETING OR THE EGM.

IF YOU ARE IN ANY DOUBT AS TO THIS SCHEME DOCUMENT AND THE ACTION TO BE TAKEN, YOU ARE ENCOURAGED TO AND SHOULD CONSULT YOUR LICENSED SECURITIES DEALER OR REGISTERED INSTITUTION IN SECURITIES, BANK MANAGER, SOLICITOR, PROFESSIONAL ACCOUNTANT OR OTHER PROFESSIONAL ADVISER.

DEFINITIONS

In this Scheme Document, unless the context otherwise requires, the following expressions shall have the following meanings:

“acting in concert”	has the meaning given to it under the Takeovers Code
“Announcement”	means the announcement jointly issued by the Offeror and the Company on 2 September 2024 in relation to, among others, the Proposal
“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
“associates”	has the meaning given to it under the Takeovers Code
“associated company(ies)”	has the meaning given to it under the Takeovers Code
“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
“Baoli International”	means Baoli International (Hong Kong) Trading Co., Limited, a company incorporated in Hong Kong with limited liability and one of the IU Shareholders
“Beneficial Owner(s)”	means any beneficial owner(s) of the Shares whose Shares are registered in the name of a Registered Owner other than himself/herself/itself

DEFINITIONS

“Board”	means the board of Directors
“Business Day(s)”	means a day on which the Stock Exchange is open for the transaction of business
“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, pursuant to the Scheme
“CCASS”	means the Central Clearing and Settlement System established and operated by HKSCC
“Companies Ordinance”	means the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“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
“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 Scheme Document
“Control”	has the meaning given to it under the Takeovers Code and “Controlling” and “Controlled” shall be construed accordingly
“Court”	means the High Court of Hong Kong
“Court Meeting”	means a meeting of the Scheme Shareholders to be convened at the direction of the Court at 10:00 a.m. on Friday, 17 January 2025 at 9/F, The Center, 99 Queens’s Road Central, Central, Hong Kong at which the Scheme will be voted upon, or any adjournment thereof, notice of which is set out on pages V-1 to V-5 of this Scheme Document
“Debt”	the debt of approximately HK\$323.3 million (i.e. HK\$198 million loan principal and accrued interest) owed by Money Success to Galaxy Bond as at Latest Practicable Date. Subsequent to the Scheme being effective, the remaining outstanding amount of the debt, being approximately HK\$48.4 million, will be settled in cash

DEFINITIONS

“Director(s)”	means director(s) of the Company
“Disinterested Share(s)”	has the meaning given to it under section 674(3) of the Companies Ordinance
“Effective Date”	means the date on which the Scheme becomes effective in accordance with the Companies Ordinance
“EGM”	means an extraordinary general meeting of the Company to be convened at 10:30 a.m. on Friday, 17 January 2025 at 9/F, The Center, 99 Queens’s Road Central, Central, Hong Kong (or immediately after the conclusion of the Court Meeting) for the purpose of, among other things, approving the reduction of the share capital of the Company and implementing the Scheme, or any adjournment thereof, notice of which is set out on pages VI-1 to VI-5 of this Scheme Document
“Executive”	means the Executive Director of the Corporate Finance Division of the SFC and any delegate of the Executive Director
“Explanatory Statement”	means the explanatory statement in relation to the Scheme, the text of which is set out on pages 67 to 100 of this Scheme Document
“Financing”	means the loan facility of up to HK\$133,500,000 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;
“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 Latest Practicable Date, and is the beneficial owner of 30,000,000 Shares, which were charged in favour of Galaxy Bond as at the Latest Practicable Date

DEFINITIONS

“Galaxy Bond” or “Offeror”	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 interests in the Shares, at the Latest Practicable Date and was beneficially and wholly owned by Mr. Xue as at the Latest Practicable Date
“Group”	means the Company and its subsidiaries
“HK\$”	means Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	means Hong Kong Securities Clearing Company Limited
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC
“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 at the EGM
“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
“Independent Scheme Shareholder(s)”	means the Shareholder(s) (other than the Offeror and the Offeror Concert Parties)

DEFINITIONS

“Independent Scheme Share(s)”	means the Share(s) (other than the Share(s) which are beneficially owned by the Offeror or any Offeror Concert Party)
“Investor Participant”	means a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
“IU Shares”	means, collectively, (a) 785,373,018 Shares collectively held by (i) Money Success; (ii) Full Brilliant; (iii) Sino Consult; and (iv) jointly by Mr. Lo and Ms. Chiu; and (b) (i) the 140,000,000 Shares, 70,000,000 Shares and 39,980,000 Shares held by each of Baoli International, Jin Hua and Prime Eternal, respectively, as at the date of the Other Irrevocable Undertakings; and (ii) the additional Shares which each of Baoli International, Jin Hua and Prime Eternal 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 their respective Other Irrevocable Undertakings
“IU Shareholders”	means, collectively, (i) Money Success; (ii) Full Brilliant; (iii) Sino Consult; (iv) Mr. Lo; (v) Ms. Chiu; (vi) Baoli International; (vii) Jin Hua; and (viii) Prime Eternal
“Jin Hua”	means Hong Kong Jin Hua Jun Chang Industrial Limited, a company incorporated in Hong Kong with limited liability and one of the IU Shareholders
“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 the Announcement
“Latest Practicable Date”	means 17 December 2024, being the latest practicable date prior to the printing of this Scheme Document for the purpose of ascertaining certain information for inclusion in this Scheme Document
“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

DEFINITIONS

“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange
“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)
“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 Latest Practicable Date, and is the beneficial owner of 670,373,018 Shares, which were charged in favour of Galaxy Bond as at the Latest Practicable Date
“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 Latest Practicable Date
“Mr. Xue”	means Mr. Xue Yuewu, the beneficial owner of 108,000,000 Shares as at the Latest Practicable Date, and is the sole shareholder and director of Galaxy Bond as at the Latest Practicable Date
“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 Latest Practicable Date
“MS 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 – MS Irrevocable Undertakings” in this Scheme Document
“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 security interests over such Shares

DEFINITIONS

“MS Shareholder(s)”	means holders of the MS Scheme Shares (i.e. Money Success, Sino Consult, Full Brilliant, Mr. Lo and Ms. Chiu)
“Offeror Concert Party(ies)”	<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> <ul style="list-style-type: none">(a) Mr. Xue, the sole beneficial owner of Galaxy Bond;(b) Mr. Lo, an executive Director and companies beneficially owned by Mr. Lo, including Money Success, Full Brilliant and Sino Consult;(c) Ms. Chiu, the spouse of Mr. Lo;(d) Mr. Cho Chun Wai, an executive Director;(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(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)
“ordinary resolution”	has the meaning given to it in section 563 of the Companies Ordinance
“Other Irrevocable Undertakings”	means the irrevocable undertakings entered into by each of (i) Baoli International; (ii) Jin Hua; and (iii) Prime Eternal on 27 September 2024 in favour of the Offeror in connection with the Proposal, details of which are set out in the section headed “Irrevocable Undertakings – Other Irrevocable Undertakings” in this Scheme Document
“Overseas Shareholder(s)”	means the Shareholder(s) whose address(es) shown on the register of members of the Company is (are) outside Hong Kong

DEFINITIONS

“Overseas Scheme Shareholder(s)”	means the Scheme Shareholder(s) whose address(es) shown on the register of members of the Company is (are) outside Hong Kong
“Prime Eternal”	means Prime Eternal Limited, a company incorporated in the British Virgin Islands with limited liability and one of the IU Shareholders
“PRC”	means the People’s Republic of China, which, for the purpose of this Scheme Document, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Proposal”	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 Scheme Document
“Record Date”	means Friday, 17 January 2025, or such other date as shall be announced to the Shareholders, being the record date for the purpose of determining the entitlements of the Scheme Shareholders to attend and vote at the Court Meeting and the entitlement of the Shareholders to attend and vote at the EGM
“Registered Owner(s)”	means any holder(s) of the Shares (including without limitation a nominee, trustee, depository or any other authorised custodian or third party) holding Shares on behalf of the Beneficial Owner(s) and whose name is entered in the register of members of the Company
“Relevant Period”	means the period commencing on 2 March 2024, being the date falling six (6) months prior to the date of the Announcement and ending on the Latest Practicable Date
“Remaining Scheme Share(s)”	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))
“Remaining Scheme Shareholders”	means the holders of the Remaining Scheme Shares
“Resumption Day”	means 3 September 2024, being the first trading day after the publication of the Announcement

DEFINITIONS

“Scheme”	means the scheme of arrangement to be proposed under section 673 of the Companies Ordinance for the implementation of the Proposal
“Scheme Document”	means this composite scheme document of the Offeror and the Company containing, among other things, further details of the Proposal
“Scheme Record Date”	means Tuesday, 25 February 2025, or such other date as shall be announced to the Shareholders, being the record date for the purpose of determining the entitlements of the Scheme Shareholders to the Cancellation Price under the Scheme
“Scheme Share(s)”	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)
“Scheme Shareholder(s)”	means the registered holder(s) of the Scheme Share(s) as at the Record Date
“SFC”	means the Securities and Futures Commission of Hong Kong
“SFO”	means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Share(s)”	means the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	means the registered holder(s) of the Share(s)
“Sino Consult”	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 Latest Practicable Date, and is the beneficial owner of 60,000,000 Shares, which were charged in favour of Galaxy Bond as at the Latest Practicable Date
“Somerley”	means Somerley Capital Limited, a licensed corporation to carry on type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, and the financial advisers to the Offeror in connection with the Proposal

DEFINITIONS

“Somerley Group”	means Somerley and persons Controlling, Controlled by, or under the same Control as Somerley
“special resolution”	has the meaning given to it in section 564 of the Companies Ordinance
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning given to it in the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers issued by the SFC
“U.S.” or “United States”	means the United States of America
“%”	per cent.

EXPECTED TIMETABLE

The expected timetable takes into account the procedures of the Court for the Scheme. The expected timetable is indicative only and may be subject to changes. Further announcement(s) will be made in the event of any changes to the timetable as and when appropriate. Unless otherwise specified, all times and dates refer to Hong Kong local times and dates.

Despatch date of this Scheme Document **Friday, 20 December 2024**

Latest time for lodging transfer of Shares in order to be
entitled to attend and vote at the Court Meeting and/or the EGM . **4:30p.m. Thursday, 9
January 2025**

Closure of the register of members of the Company
for determining entitlement to attend and vote at the
Court Meeting and/or the EGM^(Note 1) . . . **from Friday, 10 January 2025 to Friday, 17
January 2025
(both days inclusive)**

Latest time for lodging the **pink** form of proxy
in respect of the Court Meeting^(Note 2) **10:00 a.m. on Wednesday, 15 January 2025**

Latest time for lodging the **white** form of proxy
in respect of the EGM^(Note 2) **10:30 a.m. on Wednesday, 15 January 2025**

Record Date **Friday, 17 January 2025**

Court Meeting^(Notes 3) **10:00 a.m. on Friday, 17 January 2025**

EGM^(Notes 3) **10:30 a.m. on Friday, 17 January 2025
(or immediately after the conclusion or
adjournment of the Court Meeting)**

Announcement of the results of the Court Meeting and
the EGM posted on the websites of the Stock Exchange
and the Company **no later than 7:00 p.m.
on Friday, 17 January 2025**

Expected latest time for trading in the Shares on the Stock Exchange **4:10 p.m. on
Monday, 20 January 2025**

Latest time for lodging transfer of Shares in order to
qualify for entitlements under the Scheme . . . **4:30 p.m. on Monday, 17 February 2025**

Register of members of the Company closed for determining
entitlements to qualify under the Scheme^(Note 4) **from Tuesday, 18 February 2025
onwards**

Court hearing of the petition for the sanction of the Scheme . . **Tuesday, 25 February 2025**

EXPECTED TIMETABLE

Announcement of (1) the result of the Court hearing;
(2) the expected Effective Date; and
(3) the expected date of withdrawal of listing
of the Shares on the Stock Exchange **Tuesday, 25 February 2025**

Scheme Record Date for determining the entitlement of
the Scheme Shareholders under the Scheme **Tuesday, 25 February 2025**

Effective Date^(Note 5) **Monday, 3 March 2025**

Announcement of (1) the Effective Date; and
(2) the withdrawal of listing of the Shares
on the Stock Exchange **no later than 7:00 p.m. on
Monday, 3 March 2025**

Expected withdrawal of listing of the Shares on the
Stock Exchange becoming effective^(Note 6) **after 4:00 p.m. on
Wednesday, 5 March 2025**

Latest time to despatch cheques for the cash payment
of the Cancellation Price to the Scheme Shareholders^(Note 7) **on or before Wednesday,
12 March 2025**

Notes:

- (1) The register of members of the Company will be closed during such period for the purposes of determining the entitlement of (i) the Scheme Shareholders to attend and vote at the Court Meeting; and (ii) the Shareholders to attend and vote at the EGM. This book closure period is not for determining entitlements under the Scheme.
- (2) Forms of proxy should be lodged with the office of the Company's share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event no later than the time and date stated above. In order to be valid, the **pink** form of proxy for the Court Meeting and the **white** form of proxy for the EGM must be lodged no later than the latest times and date stated above.

Completion and return of a form of proxy for the Court Meeting or the EGM will not preclude a Scheme Shareholder and/or a Shareholder, respectively, from attending the relevant meeting and voting in person. In the event that the Scheme Shareholder or the Shareholder attends and votes at the relevant meeting or any adjournment thereof after having lodged his/her/its form of proxy, the returned form of proxy shall be deemed to have been revoked.
- (3) The Court Meeting and the EGM will be held at 9/F, The Center, 99 Queens's Road Central, Central, Hong Kong at the times and date specified above. Please see the notice of the Court Meeting and the notice of the EGM set out in Appendices V and VI to this Scheme Document, respectively, for details. If a tropical cyclone warning signal No. 8 or above is hoisted, a black rainstorm warning signal or "extreme conditions" warning is in force at any time after 8:00 a.m. on the date of the Court Meeting and the EGM, the Court Meeting and the EGM will be postponed. The Company will post an announcement on the respective websites of the Stock Exchange and the Company to notify the Scheme Shareholders and the Shareholders of the date, time and venue of the rescheduled Court Meeting and EGM.
- (4) The register of members will be closed during such period for the purposes of determining the Scheme Shareholders who are qualified for entitlements under the Scheme.

EXPECTED TIMETABLE

- (5) The Scheme will become effective upon all the Conditions set out in the paragraph headed “Conditions of the Proposal” of the “Explanatory Statement” section of this Scheme Document having been satisfied or waived (as applicable).
- (6) If the Scheme becomes effective on Monday, 3 March 2025, it is expected that the listing of the Shares on the Stock Exchange will be withdrawn after 4:00 p.m. on Wednesday, 5 March 2025.
- (7) Cheques for payment of the Cancellation Price to the Scheme Shareholders will be despatched within seven (7) Business Days following the Effective Date by ordinary post in postage pre-paid envelopes addressed to the person(s) entitled thereto at their respective addresses as appearing on the register of members as at the Scheme Record Date or, in the case of joint holders, at the address appearing on the register of members as at the Scheme Record Date of the joint holder whose name then stands first in the register of members in respect of the relevant joint holding.

Cheques shall be posted at the risk of the person(s) entitled thereto and none of the Offeror, the Company, Somerley, the Independent Financial Adviser and the Company’s share registrar and their respective directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Proposal shall be responsible for any loss or delay in transmission.

- (8) If there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above or extreme conditions:
 - (a) in force in Hong Kong at 12:00 noon but no longer in force after 12:00 noon on any publication date of a closing announcement under Rule 19.1 of the Takeovers Code or the latest date for despatching cheques by ordinary post in the amounts due under the Proposal, these dates, as the case may be, will remain on the same Business Day; or
 - (b) in force in Hong Kong at 12:00 noon and/or thereafter on any publication date of a closing announcement under Rule 19.1 of the Takeovers Code or the latest date for despatching cheques by ordinary post in the amounts due under the Proposal, these dates, as the case may be, will be rescheduled to the following Business Day which will not have any of such warnings or conditions in force in Hong Kong at 12:00 noon and/or thereafter or such other day as the Executive may approve in accordance with the Takeovers Code.

LETTER FROM THE BOARD



DOYEN INTERNATIONAL HOLDINGS LIMITED

東銀國際控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 668)

Executive Directors:

Mr. Lo Siu Yu (*Chairman*)

Mr. Cho Chun Wai

Non-executive Directors:

Ms. Sun Lin

Mr. Pan Chuan

*Registered office and principal place of
business in Hong Kong:*

Suite 2206, 22nd Floor

Harbour Centre

25 Harbour Road

Wanchai

Hong Kong

Independent non-executive Directors:

Mr. Chan Ying Kay

Mr. Leung Kin Hong

Mr. Wang Jin Ling

20 December 2024

To the Shareholders

Dear Sir/Madam,

**(1) PROPOSAL FOR THE PRIVATISATION OF
DOYEN INTERNATIONAL HOLDINGS LIMITED
BY THE OFFEROR BY WAY OF A SCHEME OF ARRANGEMENT
UNDER SECTION 673 OF THE COMPANIES ORDINANCE;
AND**

**(2) PROPOSED WITHDRAWAL OF LISTING OF THE SHARES OF
DOYEN INTERNATIONAL HOLDINGS LIMITED**

INTRODUCTION

Galaxy Bond (i.e. the Offeror), having security interests (as lender of the Debt) over 785,373,018 Shares (representing approximately 61.64% of the entire 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.

LETTER FROM THE BOARD

THE PROPOSAL

If the Proposal is approved and implemented:

- (a) all the Scheme Shares in issue on the Scheme 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 MS 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-for-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 Scheme 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 Remaining Scheme Shareholders whose names appear on the register of members of the Company on the Scheme Record Date as soon as possible but in any event within seven (7) Business Days following the Effective Date. Upon the Scheme becoming effective, with respect to the MS Shareholders, the Offeror will set-off the Debt on a dollar-for-dollar basis with the sum equivalent to the Cancellation Price of HK\$0.350 for each MS Scheme Share as soon as possible but in any event within seven (7) Business Days following the Effective Date.

The purpose of this Scheme Document is to provide you with further information regarding the Proposal and the Scheme, and to give you notices of the Court Meeting and of the EGM (together with proxy forms in relation thereto). Your attention is also drawn to (i) the letter from the Independent Board Committee set out on pages 33 to 34 of this Scheme Document; (ii) the letter from the Independent Financial Adviser set out on pages 35 to 66 of this Scheme Document; (iii) the Explanatory Statement set out on pages 67 to 100 of this Scheme Document; and (iv) the terms of the Scheme set out in Appendix IV to this Scheme Document.

LETTER FROM THE BOARD

Subject to the Conditions described in the section headed “Conditions of the Proposal” in the Explanatory Statement on pages 77 to 81 of this Scheme Document being fulfilled or waived, as applicable, the proposed privatisation of the Company will be implemented by way of the Scheme between the Company and the Scheme Shareholders.

THE SCHEME

Cancellation Price

Under the Scheme, the Scheme Shares in issue on the Scheme Record Date will be cancelled and extinguished on the Effective Date and, in consideration therefor, 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 MS Irrevocable Undertakings and Galaxy Bond’s subsequent confirmation, upon the Scheme being effective, the Offeror will set-off the Debt on a dollar-for-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 Latest Practicable Date, 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).

As at the Latest Practicable Date, (i) the Company had not announced or declared any dividend, distribution or other return of capital which remains unpaid; and (ii) the Company did not intend to announce, declare and/or pay any dividend, distribution or other return of capital before the Effective Date, or the date on which the Scheme is not approved or the Proposal otherwise lapses (as the case may be).

The Cancellation Price of HK\$0.350 represents:

- (a) a premium of approximately 4.48% over the closing price of HK\$0.335 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (b) a premium of approximately 3.55% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the first 60 trading days up to and including the Resumption Day of approximately HK\$0.338 per Share;
- (c) a premium of approximately 4.48% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the first 30 trading days up to and including the Resumption Day of approximately HK\$0.335 per Share;
- (d) a premium of approximately 5.74% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the first 10 trading days up to and including the Resumption Day of approximately HK\$0.331 per Share;

LETTER FROM THE BOARD

- (e) a premium of approximately 7.03% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the first five trading days up to and including the Resumption Day of approximately HK\$0.327 per Share;
- (f) a premium of approximately 9.38% over the closing price of HK\$0.32 per Share as quoted on the Stock Exchange on 3 September 2024, being the Resumption Day;
- (g) 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;
- (h) 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 the Last Trading Day of approximately HK\$0.193 per Share;
- (i) 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 the Last Trading Day of approximately HK\$0.192 per Share;
- (j) 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 the Last Trading Day of approximately HK\$0.193 per Share;
- (k) 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 the Last Trading Day of approximately HK\$0.188 per Share;
- (l) 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;
- (m) 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 the Last Trading Day of approximately HK\$0.182 per Share;
- (n) a premium of approximately 89.19% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 360 trading days up to and including the Last Trading Day of approximately HK\$0.185 per Share;
- (o) 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);

LETTER FROM THE BOARD

- (p) 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); and
- (q) a discount of approximately 39.34% to the adjusted unaudited consolidated net asset value attributable to owners of the Company per Share of approximately HK\$0.577 as at 30 June 2024, which the adjusted unaudited consolidated net asset value attributable to the owners of the Company per Share as at 30 June 2024 is set out under the section headed “6. Property interest and adjusted net asset value” in Appendix I to this Scheme Document.

The Cancellation Price was determined on a commercial basis after taking into account, among other things, the historical financial performance and business prospects of the Group, the financial information of the Group, the recent market prices and trading volume of the Shares traded on the Stock Exchange, and the property interests and adjusted unaudited consolidated net asset value attributable to owners of the Company based on the property valuation report set out in Appendix II to this Scheme Document.

Although there is a discount to each of the (i) audited consolidated net asset value attributable to owners of the Company as at 31 December 2023; (ii) unaudited consolidated net asset value attributable to owners of the Company as at 30 June 2024; and (iii) adjusted unaudited consolidated net asset value attributable to owners of the Company as at 30 June 2024, the Directors consider the Cancellation Price to be fair and reasonable and in the interest of the Company and the Shareholders as a whole as: (i) the Cancellation Price represents a premium of approximately 78.57% to 131.79% over the closing prices or average closing prices of the Shares for different periods up to and including the Last Trading Day; and (ii) during the Relevant Period, the Shares have been traded in discount to the net asset value per Share. As the Shares are publicly and freely tradeable, the trading of Shares at a discount to the net asset value per Share suggests that the market and investors do not solely value the Shares based on the net asset value per Share but taking into account various other factors, such as the business and financial performance and future prospects of the Group.

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.

During the six-month period ended on and including the Last Trading Day and up to the Latest Practicable Date, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.345 on 23, 24, 25 and 28 October 2024 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.074 on 17 April 2024.

LETTER FROM THE BOARD

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.

Assuming that the Scheme becomes effective on 3 March 2025, cheques for entitlements under the Scheme will be despatched to the Remaining Scheme Shareholders whose names appear on the register of members of the Company on the Scheme Record Date as soon as possible but in any event within seven (7) Business Days following the Effective Date and accordingly, the cheques are expected to be despatched by ordinary post on or before 12 March 2025. All such cheques will be posted by ordinary post at the risk of the persons entitled thereto and none of the Offeror, the Offeror Concert Parties, the Company, Somerley, the Independent Financial Adviser, the Company's share registrar and their respective ultimate beneficial owners, directors, officers, agents and associates and any other person involved in the Proposal and the Scheme will be responsible for any loss or delay in transmission.

IRREVOCABLE UNDERTAKINGS

MS Irrevocable Undertakings

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 MS 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 their respective IU Shares at the EGM to vote in favour of the relevant resolutions to approve the Proposal. Each of Money Success, Full Brilliant, Sino Consult, Mr. Lo and Ms. Chiu has also undertaken in the relevant MS 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 MS Irrevocable Undertakings;

LETTER FROM THE BOARD

- (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-for-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 MS Irrevocable Undertakings is unconditional.

The obligations of each of Money Success, Full Brilliant, Sino Consult, Mr. Lo and Ms. Chiu under the relevant MS 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.

As at the Latest Practicable Date:

- (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.

As at the Latest Practicable Date, the IU Shares held by Money Success, Full Brilliant, Sino Consult and Mr. Lo and Ms. Chiu jointly, in aggregate, comprise 785,373,018 Shares in total, representing approximately 61.64% of the issued Shares and approximately 67.35% of the Scheme Shares.

Other Irrevocable Undertakings

On 27 September 2024, each of (i) Baoli International; (ii) Jin Hua; and (iii) Prime Eternal entered into the Other Irrevocable Undertakings in favour of the Offeror pursuant to which each of Baoli International, Jin Hua and Prime Eternal has irrevocably and unconditionally undertaken to the Offeror, amongst other things, that it shall exercise (or procure the registered owner(s) of their respective IU Shares (if applicable) to exercise (in

LETTER FROM THE BOARD

person or via its proxy)) all voting rights attached to their respective 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 Joint Announcement.

Each of Baoli International, Jin Hua and Prime Eternal has also undertaken in the Other Irrevocable Undertakings, amongst others, that:

- (1) it shall not, and shall ensure that the registered holder(s) of their respective IU Shares (if applicable) not to, sell, transfer, charge all or any of their respective 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 of their respective IU Shares or any interest therein prior to the Court Meeting and the EGM;
- (2) it shall not, and shall ensure that the registered holder(s) of their respective IU Shares (if applicable) not to, enter into any agreement or other document which would prevent itself from exercising the voting rights in respect of their respective IU Shares in the resolutions relating to the Proposal in accordance with their respective Other Irrevocable Undertakings; and
- (3) 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.

Each of the Other Irrevocable Undertakings is unconditional.

The obligations of each of Baoli International, Jin Hua and Prime Eternal under their respective Other Irrevocable Undertakings shall terminate if (a) the Proposal lapses or is withdrawn (including if any of the Conditions is not fulfilled or (where applicable) waived on or before the Long Stop Date); or (b) the Offeror and either of Baoli International, Jin Hua and Prime Eternal mutually agree to terminate their respective Other Irrevocable Undertaking in writing.

As at the date of the Latest Practicable Date:

- (a) Baoli International is the holder of 140,000,000 Shares, representing approximately 10.99% of the issued share capital of the Company;
- (b) Jin Hua is the holder of 70,000,000 Shares, representing approximately 5.49% of the issued share capital of the Company; and
- (c) Prime Eternal is the holder of 39,980,000 Shares, representing approximately 3.14% of the issued share capital of the Company.

As at the Latest Practicable Date, the IU Shares held by Baoli International, Jin Hua and Prime Eternal, in aggregate, comprise 249,980,000 Shares in total, representing approximately 19.62% of the issued Shares, approximately 21.44% of the Scheme Shares, approximately 65.67% of the Remaining Scheme Shares and approximately 65.67% of the Independent Scheme Shares.

LETTER FROM THE BOARD

Pursuant to Note 5 of the definition of “acting in concert” in the Takeovers Code, the giving of an irrevocable undertaking will not, of itself and in the absence of any other factor, lead to the presumption that the shareholder is acting in concert with that offeror. As each of Baoli International, Jin Hua and Prime Eternal (i) will only receive the Cancellation Price; and (ii) will not receive other incentives as a result of the signing of their respective Other Irrevocable Undertakings, each of them were not considered to be Offeror Concert Parties.

CONFIRMATION OF FINANCIAL RESOURCES

Subsequent to the entering of the MS 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 Scheme Record Date will be cancelled and extinguished on the Effective Date in exchange for setting-off the Debt on a dollar-for-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 Latest Practicable Date, 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 Scheme 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.

Based on the Offeror’s internal resources and the principal amount of the Financing being solely utilised towards the payment of the Cancellation Price in respect of the Remaining Scheme Shares, 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.

LETTER FROM THE BOARD

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 Conditions set out in the section headed “Conditions of the Proposal” in the Explanatory Statement on pages 77 to 81 of this 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 Scheme Document 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 this 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 this 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.

SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date:

- (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 interests over, the Offeror does not legally or beneficially own, control or have direction over any Shares;

LETTER FROM THE BOARD

- (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 Latest Practicable Date). 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 Latest Practicable Date). Galaxy Bond has security interests over such 785,373,018 Shares (i.e. the MS Scheme Shares) as at the Latest Practicable Date. 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 Latest Practicable Date). 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 Latest Practicable Date). 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 Remaining 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 Latest Practicable Date). Such Shares comprise: (i) the Shares in issue as at the Latest Practicable Date which are held or beneficially owned by Mr. Cho Chun Wai (being one of the Offeror Concert

LETTER FROM THE BOARD

Parties); and (ii) the Shares in issue as at the Latest Practicable Date which are held or beneficially owned by the Independent Scheme Shareholders as at the Latest Practicable Date;

- (i) the Scheme Shareholders 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 Latest Practicable Date). 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 during the Relevant Period.

As at the Latest Practicable Date, the Company does not have any share scheme and the Company has no intention to adopt any share scheme.

LETTER FROM THE BOARD

Assuming that: (a) no further Shares will be issued by the Company on or before the Scheme 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 Latest Practicable Date and immediately upon completion of the Proposal is set out below:

	As at the Latest Practicable Date		Immediately upon completion of the Proposal	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares⁶</i>	<i>Approximate %</i>
<i>Offeror</i>				
Galaxy Bond ¹	–	–	1,166,038,550	91.52
Sub-total	–	–	1,166,038,550	91.52
 <i>Offeror Concert Parties (the Shares of which do not form part of the Scheme Shares)</i>				
Mr. Xue ¹	108,000,000	8.48	108,000,000	8.48
Sub-total	108,000,000	8.48	108,000,000	8.48
 <i>Offeror Concert Parties (the Shares of which form part of the Scheme Shares)</i>				
Money Success ²	670,373,018	52.62	–	–
Full Brilliant ²	30,000,000	2.35	–	–
Sino Consult ²	60,000,000	4.71	–	–
Mr. Lo and Ms. Chiu ²	25,000,000	1.96	–	–
Mr. Cho Chun Wai ³	10,000	0.00	–	–
Sub-total	785,383,018	61.64	–	–
 <i>Others</i>				
Independent Scheme Shareholders ⁴	380,655,532	29.88	–	–
Sub-total	380,655,532	29.88	–	–
 Total number of Shares in issue	 1,274,038,550	 100.00	 1,274,038,550	 100.00
 Total number of Scheme Shares⁵	 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.
- 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

LETTER FROM THE BOARD

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 in the sum of HK\$274,880,556.30 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 will 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 will 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 Scheme Record Date which are held or beneficially owned by the MS Shareholders; (b) the Shares in issue on the Scheme 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 Scheme 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.

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 lapses, the shareholding structure of the Company as at the Latest Practicable Date as set out in the table above shall remain unchanged (assuming that there is no other change in the shareholding structure of the Company from the Latest Practicable Date and up to the date on which the Scheme is not approved or the Proposal lapses). Accordingly, the Company will continue to be able to maintain sufficient public float in the Shares as required under Rule 8.08 of the Listing Rules in the event that the Proposal or the Scheme lapse.

REASONS FOR AND BENEFITS OF THE PROPOSAL

Please refer to the section headed “Reasons for and benefits of the Proposal” in the Explanatory Statement on pages 76 to 77 of this Scheme Document for details.

LETTER FROM THE BOARD

INFORMATION ON THE OFFEROR, MR. XUE AND THE GROUP

Please refer to the section headed “Information on the Offeror and Mr. Xue” and “Information on the Group” in the Explanatory Statement on pages 87 to 88 of this Scheme Document for details.

FINANCIAL ADVISER TO THE OFFEROR

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

THE 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.

THE 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 and the EGM.

OVERSEAS SCHEME SHAREHOLDERS

If you are an Overseas Scheme Shareholder, your attention is drawn to the section headed “Overseas Scheme Shareholders” in the Explanatory Statement on pages 88 to 90 of this Scheme Document.

THE HYBRID COURT MEETING AND THE EGM

The Court has directed that the Court Meeting be convened for the purpose of considering and, if thought fit, approving the Scheme (with or without modification).

Immediately following the conclusion of the Court Meeting, the EGM will be held for the purpose of considering and, if thought fit, passing (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 Scheme 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

LETTER FROM THE BOARD

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.

All Shareholders whose names appear in the register of members of the Company as at the Record Date will be entitled to attend the Court Meeting, but only the Independent Scheme Shareholders will be entitled to vote at the Court Meeting. Baoli International, the holder of 140,000,000 Shares (representing approximately 10.99% of the issued share capital of the Company), Jin Hua, the holder of 70,000,000 Shares (representing approximately 5.49% of the issued share capital of the Company), and Prime Eternal, the holder of 39,980,000 Shares (representing approximately 3.14% of the issued share capital of the Company) have irrevocably undertaken to vote in favour of the resolution to approve the Scheme at the Court Meeting. The (i) 108,000,000 Shares (representing approximately 8.48% of the entire issued share capital of the Company as at the Latest Practicable Date) held by Mr. Xue; (ii) the 785,373,018 Shares (representing approximately 61.64% of the entire issued share capital of the Company as at the Latest Practicable Date) held by the MS Shareholders; and (iii) the 10,000 Shares (representing a negligible percentage of the entire issued share capital of the Company as at the Latest Practicable Date) held by Mr. Cho Chun Wai will not be voted at the Court Meeting.

All Shareholders whose names appear in the register of members of the Company as at the Record Date will be entitled to attend and vote at the EGM. The MS Shareholders, Baoli International, Jin Hua and Prime Eternal have irrevocably undertaken that they will vote in favour of the resolutions to be proposed at the EGM. Mr. Cho Chun Wai, an executive Director, has indicated that he will vote in favour of the resolutions to be proposed at the EGM. Mr. Xue, being the sole director of the Offeror, intends to vote in favour of the resolutions to be proposed at the EGM.

Hybrid meeting arrangement

The Court Meeting and the EGM will be in the form of a hybrid meeting. In addition to the traditional physical attendance at the Court Meeting and the EGM, the Overseas Scheme Shareholders (in the case of the Court Meeting) or Overseas Shareholders (in the case of the EGM) as at the Record Date have the option of attending, participating and voting in the Court Meeting and/or the EGM (as the case may be) through online access by visiting the website at http://meetings.computershare.com/Doyen_CM2025 and http://meetings.computershare.com/Doyen_EGM2025, respectively (the “**Online Platform**”).

Overseas Scheme Shareholders as at the Record Date participating in the Court Meeting and Overseas Shareholders as at the Record Date participating in the EGM using the Online Platform will also be counted towards the quorum and will also be able to cast their votes, and submit questions and comments relevant to the proposed resolutions through the Online Platform. Overseas Shareholders choosing physical attendance at the Court Meeting and/or the EGM should not access the Online Platform to exercise their voting rights and should use the physical voting papers provided thereat to cast your votes at the Court Meeting or the EGM (as the case may be).

LETTER FROM THE BOARD

Please note that the choice of physical attendance or online attendance through the Online Platform would not affect the right of the Overseas Shareholders to appoint the Chairman of the Court Meeting and the Chairman of the EGM, respectively, as your proxy to exercise your voting rights at the Court Meeting or the EGM (as the case may be). However, in the event that you choose to attend the physical Court Meeting or physical EGM (as the case may be) or use the Online Platform and vote at the relevant meeting after having lodged your proxy forms, the returned proxy forms shall be deemed to have been revoked by operation of law.

For further details on the hybrid court meeting arrangements for Overseas Scheme Shareholders and Overseas Shareholders, please refer to the notes to the notice of Court Meeting and notice of the EGM.

For enquiries, please contact Computershare in person, by phone or online form, contact details of which are as follows:

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre,
183 Queen's Road East,
Wanchai, Hong Kong
Telephone: (852) 2862 8555
Website: www.computershare.com/hk/contact

For the purpose of exercising your right to vote at the Court Meeting and the EGM, you are requested to read carefully the sections headed "Shareholding structure of the Company" and "Hybrid Court Meeting and EGM" in the Explanatory Statement on pages 82 to 85 and pages 93 to 96 of this Scheme Document, the actions to be taken as set out in "Actions to be taken" of this Scheme Document, and the notices of the Court Meeting and the EGM as set out in Appendix V and Appendix VI respectively to this Scheme Document.

WITHDRAWAL OF LISTING OF THE SHARES ON THE STOCK EXCHANGE

Upon the Scheme becoming effective, all the Scheme Shares in issue on the Scheme 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 after one (1) clear Business Day following the Effective Date.

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. An indicative expected timetable in relation to the Proposal is included in the "Expected timetable" section of this Scheme Document.

LETTER FROM THE BOARD

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.

As 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.

ACTIONS TO BE TAKEN

The actions which you are required to take in relation to the Proposal are set out in “Actions to be taken” of this Scheme Document and the section headed “Actions to be taken” in the Explanatory Statement on pages 97 to 98 of this Scheme Document.

RECOMMENDATION

Mr. Lo (the joint holder of 25,000,000 Shares), an executive Director, beneficially owns Money Success (the holder of 670,373,018 Shares), Full Brilliant (the holder of 30,000,000 Shares) and Sino Consult (the holder of 60,000,000 Shares); and Mr. Cho Chun Wai, an executive Director, beneficially holds 10,000 Shares. Each of Mr. Lo and Mr. Cho Chun Wai were considered to have a material interest in the Proposal and the Scheme, and was required to and has abstained from voting on the Board resolutions relating to the Proposal and the Scheme. Save as disclosed above, there is no other Director who has a material interest in the Proposal and the Scheme and no other Director was required to abstain from voting on the Board resolutions in relation to the Proposal and the Scheme.

The Independent Financial Adviser has advised the Independent Board Committee that it considers the terms of the Proposal and the Scheme are fair and reasonable so far as the Independent Scheme Shareholders are concerned and in the interest of the Company and the Shareholders as a whole, and recommends the Independent Board Committee to advise (i) the Independent Scheme Shareholders to vote in favour of the resolution to approve the Scheme at the Court Meeting; and (ii) the Shareholders to vote in favour of the resolution(s) in respect of the Scheme at the EGM.

LETTER FROM THE BOARD

The Independent Board Committee, having considered the terms of the Proposal and the Scheme, and having taken into account the opinion of the Independent Financial Adviser, and in particular the factors, reasons and recommendations set out in its letter, considers that the terms of the Proposal and the Scheme are fair and reasonable so far as the Independent Scheme Shareholders are concerned and recommends the Independent Scheme Shareholders to vote in favour of the Scheme at the Court Meeting and the Shareholders to vote in favour of the resolution(s) in respect of the Scheme at the EGM.

Your attention is drawn to the recommendation of the Independent Financial Adviser to the Independent Board Committee, in respect of the Proposal and the Scheme as set out in the “Letter from the Independent Financial Adviser” as set out on pages 35 to 66 this Scheme Document. Your attention is also drawn to the recommendation of the Independent Board Committee in respect of the Proposal and the Scheme as set out in the “Letter from the Independent Board Committee” as set out on pages 33 to 34 this Scheme Document.

REGISTRATION AND PAYMENT

Your attention is drawn to the section headed “Registration and payment” in the Explanatory Statement set out on pages 91 to 93 of this Scheme Document.

TAXATION EFFECTS AND LIABILITIES

Scheme Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of the Proposal and the Scheme. It is emphasised that none of the Offeror, the Offeror Concert Parties, the Company, Somerley, 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.

Your attention is drawn to the section headed “Taxation and independent advice” in the Explanatory Statement set out on page 100 of this Scheme Document.

ADDITIONAL INFORMATION

Your attention is drawn to the Letter from the Independent Board Committee and Letter from the Independent Financial Adviser, as set out on pages 33 to 34 and pages 35 to 66 respectively of this Scheme Document, the Explanatory Statement as set out on pages 67 to 100 of this Scheme Document, the appendices to this Scheme Document, including but not limited to the terms of the Scheme as set out in Appendix IV to this Scheme Document, the notice of the Court Meeting as set out in Appendix V to this Scheme Document and the notice of the EGM as set out in Appendix VI to this Scheme Document. In addition, a pink form of proxy for the Court Meeting and a white form of proxy for the EGM are enclosed with this Scheme Document.

Yours faithfully,
By Order of the Board
Doyen International Holdings Limited
Lo Siu Yu
Chairman



DOYEN INTERNATIONAL HOLDINGS LIMITED

東銀國際控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 668)

20 December 2024

To the Independent Shareholders

Dear Sir/Madam,

**(1) PROPOSAL FOR THE PRIVATISATION OF
DOYEN INTERNATIONAL HOLDINGS LIMITED
BY THE OFFEROR BY WAY OF A SCHEME OF ARRANGEMENT
UNDER SECTION 673 OF THE COMPANIES ORDINANCE;
AND
(2) PROPOSED WITHDRAWAL OF LISTING OF THE SHARES OF
DOYEN INTERNATIONAL HOLDINGS LIMITED**

We refer to the document dated 20 December 2024 jointly issued by the Offeror and the Company in relation to the Proposal (the “**Scheme Document**”), of which this letter forms part. Unless the context otherwise requires, terms used in this letter shall have the same meanings as defined in this Scheme Document.

We have been appointed by the Board as the Independent Board Committee to make a recommendation to the Independent Shareholders in respect of the Proposal, details of which are set out in the “Letter from the Board” and the “Explanatory Statement” of this Scheme Document.

Lego Corporate Finance Limited, the Independent Financial Adviser, has been appointed with our approval, to advise us in connection with the Proposal. The details of its advice and the principal factors taken into consideration in arriving at its recommendation are set out in the “Letter from the Independent Financial Adviser” as set out on pages 35 to 66 of this Scheme Document.

In the “Letter from the Independent Financial Adviser” as set out on pages 35 to 66 of this Scheme Document, the Independent Financial Adviser states that it considers the terms of the Proposal are fair and reasonable so far as the Independent Shareholders are concerned, and advises the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the relevant resolution(s) to be proposed at the Court Meeting and the EGM to approve and implement the Proposal and the Scheme.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

RECOMMENDATION

The Independent Board Committee, having considered the terms of the Proposal, and having taken into account the opinion of the Independent Financial Adviser, and in particular the factors, reasons and recommendations set out in its letter, considers that the terms of the Proposal are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the resolutions to be proposed at the Court Meeting and the EGM to approve and implement the Proposal and the Scheme.

The Independent Shareholders' attention is drawn to (i) the "Letter from the Board" set out on pages 14 to 32 of this Scheme Document; (ii) the "Letter from the Independent Financial Advisers" set out on pages 35 to 66 of this Scheme Document, which sets out the factors and reasons taken into account in arriving at its recommendations to the Independent Board Committee; and (iii) the Explanatory Statement set out on pages 67 to 100 of this Scheme Document.

Yours faithfully,
For and on behalf of the Independent Board Committee
Doyen International Holdings Limited

Ms. Sun Lin

Mr. Pan Chuan

Non-executive Directors

Mr. Chan Ying Kay

Mr. Leung Kin Hong

Mr. Wang Jin Ling

Independent non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter of advice from Lego Corporate Finance Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Scheme Shareholders in respect of the Proposal and the Scheme, which has been prepared for the purpose of inclusion in this Scheme Document.



20 December 2024

To the Independent Board Committee and the Independent Scheme Shareholders

Dear Sirs or Madams,

**(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
AND**

**(2) PROPOSED WITHDRAWAL OF LISTING OF THE SHARES OF
DOYEN INTERNATIONAL HOLDINGS LIMITED**

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Scheme Shareholders in respect of the Proposal and the Scheme, details of which are set out in the “Letter from the Board” (the “**Letter from the Board**”) and the explanatory statement (the “**Explanatory Statement**”) contained in the scheme document jointly issued by the Offeror and the Company dated 20 December 2024 (the “**Scheme Document**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Scheme Document unless the context otherwise requires.

Reference is made to the Announcement. 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, involving the cancellation and extinguishment of 1,166,038,550 Scheme Shares in issue, out of which (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 pursuant to the Settlement Agreement; 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. The total amount of cash required to implement the Proposal in full would be HK\$133,232,936.20.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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. The Independent Board Committee has approved our appointment as the Independent Financial Adviser. As the Independent Financial Adviser, our role is to give an independent opinion to the Independent Board Committee and the Independent Scheme Shareholders in such regard.

As at the Latest Practicable Date, Lego Corporate Finance Limited did not have any relationships or interests with the Company and the Offeror that could reasonably be regarded as relevant to the independence of Lego Corporate Finance Limited. We are not associated or connected with the Company, the Offeror or their respective controlling shareholders or any party acting, or presumed to be acting, in concert with any of them. In the last two years, we have not acted as an independent financial adviser or a financial adviser to the Company or the Offeror. Apart from normal professional fees paid or payable to us in connection with this appointment as the Independent Financial Adviser, which is not conditional upon passing of the resolutions to be proposed at the Court Meeting and the EGM, no arrangement exist whereby we have received or will receive any fees or benefits from the Company, the Offeror or their respective controlling shareholders or any party acting, or presumed to be acting, in concert with any of them. Accordingly, we are qualified to give independent advice in respect of the Proposal and the Scheme.

BASIS OF OUR OPINION

In formulating our opinion and advice, we have reviewed, among other things, (i) the Announcement; (ii) the annual report of the Company for the year ended 31 December 2023 (the “**2023 Annual Report**”); (iii) the interim report of the Company for the six months ended 30 June 2024 (the “**2024 Interim Report**”); (iv) the audited statements of profit or loss of the Company for the two years ended 31 December 2023, the unaudited statements of profit or loss of the Company for the six months ended 30 June 2023 and 2024, the audited statements of financial position of the Company as at 31 December 2022 and 2023, and the unaudited statements of financial position of the Company as at 30 June 2024; (v) the independent valuation report (the “**Valuation Report**”) regarding the market value of property interests of the Group located in the PRC (the “**Properties**”) as conducted by HG Appraisal and Consulting Limited (the “**Valuer**”) as at 30 September 2024 (the “**Valuation Date**”) as set out in Appendix II to the Scheme Document; and (vi) other information contained in the Scheme Document.

We have relied on (i) the information and facts contained or referred to in the Scheme Document; (ii) the information supplied by the Group and its advisers; (iii) the opinions expressed by and the representations of the Directors and the management of the Group (the “**Management**”); and (iv) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us by the Directors and/or the Management, for which they are solely and wholly responsible for, or

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

contained or referred to in the Scheme Document were true, accurate and complete in all respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Scheme Document are true at the time they were made and continue to be true as at the Latest Practicable Date and all such statements of belief, opinions and intentions of the Directors and the Management and those as set out or referred to in the Scheme Document were reasonably made after due and careful enquiry.

We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and/or the Management and/or the advisers of the Group. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in the Scheme Document and that all information or representations provided to us by the Directors and the Management are true, accurate, complete and not misleading in all respects at the time they were made and continued to be so until the Latest Practicable Date. Shareholders will be informed of any material changes to such representations and/or our opinion as soon as possible until the Scheme becomes effective or the Proposal lapses in compliance with Rule 9.1 of the Takeovers Code.

We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Scheme Document so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors and the Management, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Company, the Offeror or any of their respective subsidiaries or associates or any party acting, or presumed to be acting, in concert with any of them.

We have not considered the tax and regulatory implications on the Independent Scheme Shareholders as a result of the Proposal, if implemented, since these are particular to their individual circumstances. In particular, the Independent Scheme Shareholders who are overseas residents or subject to overseas taxation or Hong Kong taxation on security dealings should consider their own tax position and, if in any doubt, should consult their own professional advisers.

PRINCIPAL TERMS OF THE PROPOSAL AND THE SCHEME

Set out below are the terms of the Proposal and the Scheme, details of which are set out in the Letter from the Board and the Explanatory Statement. The Independent Scheme Shareholders are encouraged to read the Scheme Document and its appendices in full.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

1. Terms of the Proposal

If the Proposal is approved and implemented:

- (a) all the Scheme Shares in issue on the Scheme 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 MS 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-for-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 Scheme 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 Remaining Scheme Shareholders whose names appear on the register of members of the Company on the Scheme 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. Upon the Scheme becoming effective, with respect to the MS Shareholders, the Offeror will set-off the Debt on a dollar-for-dollar basis with the sum equivalent to the Cancellation Price of HK\$0.350 for each MS Scheme Share as soon as possible but in any event within seven (7) Business Days following the Effective Date.

2. Cancellation Price

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

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

If (a) after the Latest Practicable Date, 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).

As at the Latest Practicable Date, (i) the Company had not announced or declared any dividend, distribution or other return of capital which remains unpaid; and (ii) the Company did not intend to announce, declare and/or pay any dividend, distribution or other return of capital before the Effective Date, or the date on which the Scheme is not approved or the Proposal otherwise lapses (as the case may be).

As disclosed in the Letter from the Board, 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.

3. Conditions of the Proposal and the Scheme

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 Conditions. Details of the Conditions are set out in the section headed "Conditions of the Proposal" in the Explanatory Statement. Main Conditions include, among others:

- (a) the approval of the Scheme at the Court Meeting (by way of a poll) by the Scheme Shareholders representing at least 75% of the voting rights of the Independent Scheme Shareholders 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:

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (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 Scheme 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);

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (h) since the date of the 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 the 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 by the Offeror or the Company.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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

- (i) 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
- (ii) 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) 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 Latest Practicable Date, 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.

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 Scheme Shareholders representing at least 75% of the voting rights of the Scheme Shareholders 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

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (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.

As at the Latest Practicable Date, none of the Conditions had been fulfilled or waived (where applicable).

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.

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.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation in respect of the Proposal and the Scheme, we have taken into account the following principal factors and reasons:

1. Background information of the Group

1.1 Principal businesses and information of 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.

1.2 Historical financial information

The following is a summary of certain financial information of the Group for the years ended 31 December 2022 and 2023 and the six months ended 30 June 2023 and 2024 as extracted from the 2023 Annual Report and the 2024 Interim Report, respectively.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Summary of consolidated statement of profit or loss of the Group

	Year ended 31 December		Six months ended 30 June	
	2022	2023	2023	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Revenue				
– Provision of loan financing	58,436	50,497	27,410	27,840
– Sales of flowers and plants	38,963	6,331	1,243	1,527
– Investment properties holding	9,721	15,754	6,420	8,183
Total revenue	107,120	72,582	35,073	37,550
Profit/(loss) for the year/period attributable to the Shareholders	(17,317)	13,286	6,980	10,698

Summary of consolidated statement of financial position of the Group

	As at 31 December		As at 30 June
	2022	2023	2024
	HK\$'000	HK\$'000	HK\$'000
	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>
Non-current assets	316,722	324,472	318,744
Current assets	687,809	678,099	669,428
Total assets	1,004,531	1,002,571	988,172
Current liabilities	59,931	59,290	64,447
Non-current liabilities	4,047	5,412	5,416
Total liabilities	63,978	64,702	69,863
Net assets	940,553	937,869	918,309

Summary of statement of profit or loss of the Company

	Year ended 31 December		Six months ended 30 June	
	2022	2023	2023	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Revenue	–	–	–	–
Profit/(loss) for the year/period	164	(25,355)	(2,140)	(4,982)

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Summary of statement of financial position of the Company

	As at 31 December		As at 30 June
	2022	2023	2024
	HK\$'000	HK\$'000	HK\$'000
	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>
Non-current assets	308,602	307,471	306,905
Current assets	267,827	239,760	229,865
Total assets	576,429	547,231	536,770
Non-current liabilities	195,239	192,075	–
Current liabilities	1,443	764	187,360
Total liabilities	196,682	192,839	187,360
Net assets	379,747	354,392	349,410

For the year ended 31 December 2022 and 2023

Total revenue of the Group decreased from approximately HK\$107.1 million for the year ended 31 December 2022 to approximately HK\$72.6 million for the year ended 31 December 2023. As disclosed in the 2023 Annual Report, such decrease was mainly attributable to the decrease in revenue generated from the sales of flowers and plants during the year as a result of the downturn in the real estate sector of the PRC, which in turn led to the decrease in demand for landscape greening and the floral market.

The Group's loss attributable to the Shareholders turned around from a loss of approximately HK\$17.3 million for the year ended 31 December 2022 to a profit of approximately HK\$13.3 million for the year ended 31 December 2023. As disclosed in the 2023 Annual Report, such increase was primarily due to (i) the assessed fair value gains on investment properties of approximately HK\$4.8 million as compared to the fair value losses of approximately HK\$31.4 million for the previous year; and (ii) the net reversal of impairment losses on loan receivables of approximately HK\$6.7 million.

As at 31 December 2023, the Group recorded net assets of approximately HK\$937.9 million. As at 31 December 2023, the Group's total assets amounted to approximately HK\$1,002.6 million, which mainly include, among others, (i) loan receivables of approximately HK\$495.5 million; (ii) investment properties of approximately HK\$295.7 million; and (iii) bank and cash balances of approximately HK\$159.5 million. As at 31 December 2023, the Group's total liabilities amounted to approximately HK\$64.7 million, which mainly include, among others, (i) current tax liabilities of approximately HK\$32.2 million; and (ii) accruals and other payables of approximately HK\$23.9 million.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

For the six months ended 30 June 2023 and 2024

Total revenue of the Group increased from approximately HK\$35.1 million for the six months ended 30 June 2023 to approximately HK\$37.6 million for the six months ended 30 June 2024, mainly attributable to the increase in rental income generated from the investment properties of the Group.

The Group's profit attributable to the Shareholders increased from approximately HK\$7.0 million for the six months ended 30 June 2023 to approximately HK\$10.7 million for the six months ended 30 June 2024. As disclosed in the 2024 Interim Report, such increase was mainly attributable to the positive impact of foreign exchange.

As at 30 June 2024, the Group recorded net assets of approximately HK\$918.3 million. As at 30 June 2024, the Group's total assets amounted to approximately HK\$988.2 million, which mainly include, among others, (i) loan receivables of approximately HK\$501.2 million; (ii) investment properties of approximately HK\$288.7 million; and (iii) bank and cash balances of approximately HK\$144.1 million. As at 30 June 2024, the Group's total liabilities amounted to approximately HK\$69.9 million, which mainly include, among others, (i) current tax liabilities of approximately HK\$37.2 million; and (ii) accruals and other payables of approximately HK\$25.4 million.

Based on our review on (i) the audited consolidated statements of profit or loss of the Group for the two years ended 31 December 2023; (ii) the unaudited consolidated statements of profit or loss of the Group for the six months ended 30 June 2023 and 2024; (iii) the audited consolidated statements of financial position of the Group as at 31 December 2022 and 2023; (iv) the unaudited consolidated statements of financial position of the Group as at 30 June 2024; (v) the audited statements of profit or loss of the Company for the two years ended 31 December 2023; (vi) the unaudited statements of profit or loss of the Company for the six months ended 30 June 2023 and 2024; (vii) the audited statements of financial position of the Company as at 31 December 2022 and 2023; and (viii) the unaudited statements of financial position of the Company as at 30 June 2024, we noted that the recent business performance of the Group has been deteriorating, mainly attributable to the challenges faced in the sales of flowers and plants business and the provision of loan financing business in the PRC. Details of which are set out in the section headed "1.3 Prospect of the Group" below.

1.3 Prospect of the Group

We noted from the 2023 Annual Report and the 2024 Interim Report that the Group is 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. Based on our discussion with the Management, we were given to understand that the business performance of the Group

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

has been affected by the challenges faced by the PRC economy, including the weak market sentiment and the prolonged downturn of the real estate sector, which may have aroused uncertainty in the prospect of the Group.

The deteriorating performance of the Group's sales of flowers and plants business

According to the 2023 Annual Report and the 2024 Interim Report, we noted that the revenue generated from the sales of flowers and plants business, which has been one of the major revenue-generating segments of the Group, has decreased by more than 80% for the year ended 31 December 2023. Based on our discussion with the Management, we were given to understand that since December 2019, the Group has managed its property value-added business with a focus on the sales of flowers and plants. As such, the Group's sales of flowers and plants business is closely related to the performance of the real estate market in the PRC. As the real estate market in Chongqing was still in an adjustment cycle with downward pressure on housing prices, the downturn of the property market has suppressed the market demand for landscape greening and the floral market, and thus significantly affected the Group's revenue from the sales of flowers and plants.

Despite the continuous implementation of the real estate support policies to stimulate market activity and to promote the steady and healthy development of the real estate market by relevant government authorities in Chongqing in 2024, including (i) "Decisions by the Chongqing Municipal People's Government on Amending 'Interim Measures on Carrying Out the Pilot Reform of the Real Estate Tax Collection on Some Individual Housing in Chongqing' (《重慶市關於開展對部分個人住房徵收房產稅改革試點的暫行辦法》)" and 'Implementation Rules for the Collection and Administration of Individual Housing Property Tax in Chongqing' (《重慶市個人住房房產稅徵收管理實施細則》)" promulgated by the Chongqing Municipal Government; (ii) the "Notice on Further Adjusting and Optimizing Real Estate Policies and Measures (《關於進一步調整優化房地產政策措施的通知》)" issued by the Chongqing Municipal Housing and Urban-Rural Development Commission (重慶市住房城鄉建委); (iii) the "Notice on Supporting the Demand for Rigid and Improved Housing Purchases (《關於支持剛性和改善性購房需求的通知》)" issued by the Office of the Chongqing Municipal Leading Group for Promoting the Stable and Healthy Development of the Real Estate Market; and (iv) the "Chongqing 2024 Housing Development Plan (重慶市2024年度住房發展計劃)" issued by the Chongqing Municipal Housing and Urban-Rural Development Commission, the policy effects may require additional time to gradually take shape. For the six months ended 30 June 2024, the Group's revenue from the sales of flowers and plants business has remained at a minimal level of approximately HK\$1.5 million.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The continuous uncertainty in the macroeconomic environment and market competition regarding loan financing and factoring business in the PRC

As discussed with the Management, we were given to understand that the number of companies engaged in the financial leasing industry and the balance of the financial leasing business decreased in 2023, primarily attributable to the impact of the changes in the macroeconomic environment in the PRC.

For due diligence purpose, we have conducted desktop research on the loan financing and leasing industry in the PRC and made reference to the PRC Leasing Industry Development Report* (中國租賃業發展報告) jointly published by the PRC Leasing Union* (中國租賃聯盟), Institute of Contemporary China Studies of Nankai University* (南開大學當代中國問題研究院) and Joint Research Institute of Leasing* (租賃聯合研究院) in April 2024 (the “**2024 Development Report**”). We noted that the PRC Leasing Union is a well-recognised organisation established in the PRC since 2006, which conducts and publishes research results with other professional bodies in relation to the loan financing and leasing market in the PRC from time to time. We also noted that their research reports are commonly made reference by the companies listed on the Stock Exchange which are principally engaged in loan financing business in the PRC. As such, we consider it is reasonable to make reference to the relevant data contained in the 2024 Development Report for the understanding of industry environment and prospect of the loan financing and leasing market in the PRC.

Based on the 2024 Development Report, the balance of finance leasing contracts nationwide amounted to approximately RMB5,640 billion at the end of 2023, representing a decrease of approximately RMB210 billion from approximately RMB5,850 billion at the end of 2022. The number of companies engaged in the financial leasing industry has reduced to approximately 8,800 as at the end of 2023, representing a decrease of approximately 27% as compared to the peak number of industry participants of approximately 12,000 since the end of 2019.

Based on the 2023 Annual Report, in view of the continuous slump of the financial leasing market, the Management intended to reduce the Group’s risk in its finance leasing business and to reallocate its resources to the factoring business, which has relatively shorter life cycle and lower risks to cope with the uncertain economic environment. According to the PRC Trade Finance Industry Development Report* (中國貿易金融行業發展報告) published by the PRC Banking Association* (中國銀行業協會) in July 2024 (source: the website of the PRC Banking Association (<https://www.china-cba.net/>)), the domestic factoring and international factoring business have achieved rapid growth rates of approximately 34.7% and 16.7%, respectively, for 2023. Notwithstanding the market growth in the factoring business in the PRC, we were given to understand from the Management that the business performance of the Group is susceptible to the intense competition, which the market is largely influenced by state-owned enterprises and financial conglomerates, and stringent industry policies and regulations in the PRC. The Group’s revenue generated from the provision of loan

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

financing, which include the provision of secured loan financing, short-term loan business, factoring and refactoring business, amounted to (i) approximately HK\$50.5 million for the year ended 31 December 2023, represented a decrease of approximately 13.6% as compared to that of the previous year; and (ii) approximately RMB27.8 million for the six months ended 30 June 2024, represented a slight increase of approximately 1.6% as compared to that of the corresponding period in the previous year. As discussed with the Management and based on the customer portfolio maintained by the Group for its loan financing and factoring business, we noted that majority of the revenue generated from the segment was concentrated in a relatively small clientele base in the recent years.

Based on the abovementioned independent market research and performance analysis, having considered (i) uncertainty in the macroeconomic environment in the PRC; (ii) the relatively sluggish business growth of the Group as compared to the rapid market growth of the overall factoring market; and (iii) the relatively limited clientele maintained by the Group for its loan financing and factoring business, we consider that there remains uncertainty in the prospect of the Group's loan financing and factoring business.

The challenging business environment of the property leasing market in the PRC

We noted from the 2024 Interim Report that in the first half of 2024, despite the consumer market in the PRC as a whole maintained a stable growth trend, the property leasing market in the PRC has been impacted by the continued weakness of the real estate market, mainly attributable to the employment situation, consumer confidence and purchase power.

For due diligence purpose, we have conducted desktop research on the property leasing industry in the PRC and made reference to the Greater China Property Summary for the Second Quarter of Year 2024* (二零二四年第二季度大中華區物業摘要), Greater China Property Summary for the First Quarter of Year 2024* (二零二四年第一季度大中華區物業摘要), Greater China Property Summary for the Fourth Quarter of Year 2023* (二零二三年第四季度大中華區物業摘要) and the Greater China Property Summary for the Third Quarter of Year 2023* (二零二三年第三季度大中華區物業摘要), which contained data in relation to PRC properties for the recent four quarters (collectively, the “**Greater China Property Summaries**”), published by the Greater China Research Division of Jones Lang LaSalle IP, Inc. (“**JLL**”) for relevant industry data (*source: the website of JLL (<https://www.joneslanglasalle.com.cn/>)*). JLL is a company listed on the New York Stock Exchange, which is principally engaged in the provision of real estate services with a well-established operating history of over 20 years. We noted that the Greater China Research Division of JLL publishes research reports in relation to the property markets in the PRC from time to time. Considering the abovementioned, we consider it is reasonable to make reference to the relevant data contained in the Greater China Property Summaries for the understanding of industry environment and prospect of the property leasing market in the PRC.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As the Properties are commercial buildings and office situated in Chongqing and Chengdu in the PRC, respectively, we have studied the property leasing data in relation to the commercial properties in Chongqing and offices in Chengdu contained in the Greater China Property Summaries for the recent four quarters.

In respect of the leasing market of retail properties in Chongqing, we noted that (i) for the third quarter of 2023, whilst the overall vacancy rate has slightly decreased by approximately 0.4% to approximately 15.6%, the average rent has decreased by approximately 1.8% as compared to the corresponding period in the previous year; (ii) for the fourth quarter of 2023, whilst the overall vacancy rate has slightly decreased by approximately 0.9% to approximately 15.2%, the average rent has decreased by approximately 1.8% as compared to that of the corresponding period in the previous year; (iii) for the first quarter of 2024, whilst the overall vacancy rate has remained relatively stable, the average rent has decreased by approximately 1.4%, as compared to that of the corresponding period in the previous year; and (iv) for the second quarter of 2024, whilst the overall vacancy rate has decreased to approximately 13.9%, the average rent has continued to decrease by approximately 2.0% as compared to that of the corresponding period in the previous year. Based on the above, despite the overall vacancy rate has remained relatively stable, a persistent drop in average rent of retail properties in Chongqing has been noted since the third quarter of year 2023. It is expected that the leasing market for retail properties in Chongqing will remain challenging in the near future.

In respect of the leasing market of properties for office use in Chengdu, we noted that (i) for the third quarter of 2023, the overall vacancy rate has reached approximately 30.9% and the average rent has decreased by approximately 5.5% as compared to the corresponding period in the previous year; (ii) for the fourth quarter of 2023, whilst the overall vacancy rate has slightly decreased to approximately 30.6%, the average rent has decreased by approximately 6.6% as compared to the corresponding period in the previous year; (iii) for the first quarter of 2024, whilst the overall vacancy rate has remained relatively stable at approximately 30.5%, the average rent has decreased by approximately 8.2% as compared to the corresponding period in the previous year; and (iv) for the second quarter of 2024, whilst the overall vacancy rate has decreased to approximately 29.6%, the average rent has continued to decrease by approximately 9.1% as compared to the corresponding period in the previous year. Based on the above, a relatively high overall vacancy rate and a persistent drop in average rent of properties for office use in Chengdu have been noted since the third quarter of year 2023. It is expected that the leasing market for offices in Chengdu will remain challenging in the near future.

Notwithstanding the increase in the Group's revenue generated from the investment properties holding segment for the year ended 31 December 2023 and the six months ended 30 June 2024, considering the abovementioned and our discussion with the Management, we were given to understand that there are no

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

immediate factors or concrete plans which may suggest that the Group will be able to achieve a viable and sustainable growth in the foreseeable future under the prolonged deteriorating property leasing market in the PRC.

Taking into consideration (i) of the deteriorating performance in the Group's sales of flowers and plants business for the year ended 31 December 2023 and the six months ended 30 June 2024; (ii) that the prospect and macroeconomic environment remain generally uncertain and challenging for the Group's provision of loan financing business in the foreseeable future; (iii) of the sluggish performance of the retail and office properties market in Chongqing and Chengdu during the latest four quarters and the lack of observable factor which may suggest that they will have breakthrough or significant growth in the near future; and (iv) of the other analysis in respect of the terms and conditions of the Proposal and the Scheme as further discussed in this letter below, we considered that the Proposal and the Scheme represented an opportunity for the Scheme Shareholders to exit and realise their investments in the Group.

1.4 Assessment of the Valuation Report

In arriving our recommendation on the Proposal, we have reviewed the Valuation Report. Details of which are set out in Appendix II to the Scheme Document. We have conducted interview with the Valuer and understood the relevant staff members, including Mr. Raymond Ho Kai Kwong, the managing director and responsible person of the Valuer and his working team, as to their expertise, independence and details in relation to the Valuation Report, particularly (i) the Valuer's terms of engagement with the Company; (ii) the Valuer's qualification and experience in relation to the preparation of the Valuation Report; and (iii) the steps and due diligence measures taken by the Valuer in performing the valuation.

From our review of the engagement letter between the Company and the Valuer, we are satisfied that the terms of engagement between the Company and the Valuer are appropriate to form the opinion the Valuer is required to be given, with no limitations on the scope of work which might adversely impact on the degree of assurance given by the Valuer. Furthermore, as advised by the Valuer, the Company and the Offeror have not made any formal or informal representations to the Valuer that contravenes with their understanding and assessment on the relevant material information as set out in the Valuation Report. Based on the engagement letter and other relevant information provided by the Valuer, we noted that the Valuer is a qualified asset appraisal firm which provides valuation services. We understand that Mr. Raymond Ho Kai Kwong is a chartered and registered professional surveyor of The Hong Kong Institute of surveyors and The Royal Institution of Chartered surveyors, who has over 33 years' experience in undertaking valuations of properties in Hong Kong and has over 28 years' experiences in valuations of properties in the PRC. We have also obtained information on the track records of the Valuer on other asset valuations and noted that it has experience in the provision of a wide range of valuation services to numerous companies listed on the Stock Exchange.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In addition, we have enquired with and the Valuer has confirmed that it is independent from the Group, the Offeror and their respective connected persons and any parties acting in concert with any of them as at the Latest Practicable Date. The Valuer also confirmed that they were not aware of any relationships or interest between itself and the Group, the Offeror or any other parties that could reasonably be regarded as relevant to its independence to act as the independent valuer of the Company. The Valuer also confirmed that apart from normal professional fees paid or payable to them in connection with its appointment as the Valuer, no arrangements exist whereby it has received or will receive any fees or benefits from the Group, the Offeror or any other party to the transactions.

We noted that the Valuer mainly carried out its due diligence with the Management and conducted its own proprietary research and has relied on public information obtained through its own research as well as the information provided by the Management. We were advised by the Valuer that it has assumed such information to be true, complete and accurate and has accepted it without verification.

Furthermore, we have reviewed the Valuation Report and discussed with the Valuers regarding the methodologies, bases and assumptions adopted in arriving at the appraised value of the Properties as at the Valuation Date. With reference to the Valuation Report, the Properties consist of two properties located in Chongqing and Chengdu in the PRC. As discussed with the Valuers, we were given to understand that the income capitalisation approach is a commonly acceptable and adopted valuation approach for revenue generating properties when rental comparable transactions are available in the market. Therefore, the Valuer considers that it is more feasible to adopt income capitalisation method. According to the HKIS Valuation Standards 2020 Edition published by The Hong Kong Institute of Surveyors, we noted that (i) the market approach requires a comparison with market transactions in the same, or closely similar, type of asset within an appropriate time horizon; (ii) the cost approach is based on the economic principle that a purchaser will purchase an asset for no more than the cost of the asset; and (iii) the income approach is based on capitalisation or conversion of present and predicted income, which may take a number of different forms, to produce a single current capital value. Among the forms taken, capitalisation of a conventional market-based income or discounting of a specific income projection can both be considered appropriate depending on the type of asset and whether such an approach would be adopted by market participants. Due to the fact that the Group has been holding the Properties solely for the purpose of generating rental income, we are of the view that it is appropriate for the Valuation to be conducted under the income capitalisation approach. Further, we have reviewed the bases and assumptions adopted in the Valuation Report under the income capitalisation approach, and considered that similar sets of bases and assumptions were commonly adopted in valuations of comparable properties which principally generate revenue from rental income in the market.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As stated in the Valuation Report, the valuation has been prepared in accordance with the HKIS Valuation Standards 2020 Edition published by the Hong Kong Institute of Surveyors, the requirements set out in Chapter 5 of and Practice Note 12 to the Listing Rules and Rule 11 of the Takeovers Code. The Valuer confirmed that it has performed inspection to the Properties.

Based on the abovementioned, we consider that the methodology, basis and assumptions adopted by the Valuer for the valuation of the Properties are appropriate. According to the Valuation Report, the appraised value of the Properties amounted to approximately RMB259.3 million (equivalent to approximately HK\$285.3 million) as at the Valuation Date. With reference to the Scheme Document, considering (i) the unaudited consolidated net asset value attributable to the Shareholders of approximately HK\$737.9 million as at 30 June 2024; and (ii) adjustments made for the fair value loss attributable to the Shareholders arising from the valuation of the Properties as at 30 September 2024 of approximately HK\$7.1 million, the adjusted unaudited consolidated net asset value attributable to the Shareholders as at 30 June 2024 (the “**Adjusted NAV**”) amounted to approximately HK\$735.5 million, with the Adjusted NAV per Share amounted to approximately HK\$0.577.

2. Information on the Offeror and their intentions in respect of the Group

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 Latest Practicable Date, 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 Latest Practicable Date, 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 MS 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-for-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.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

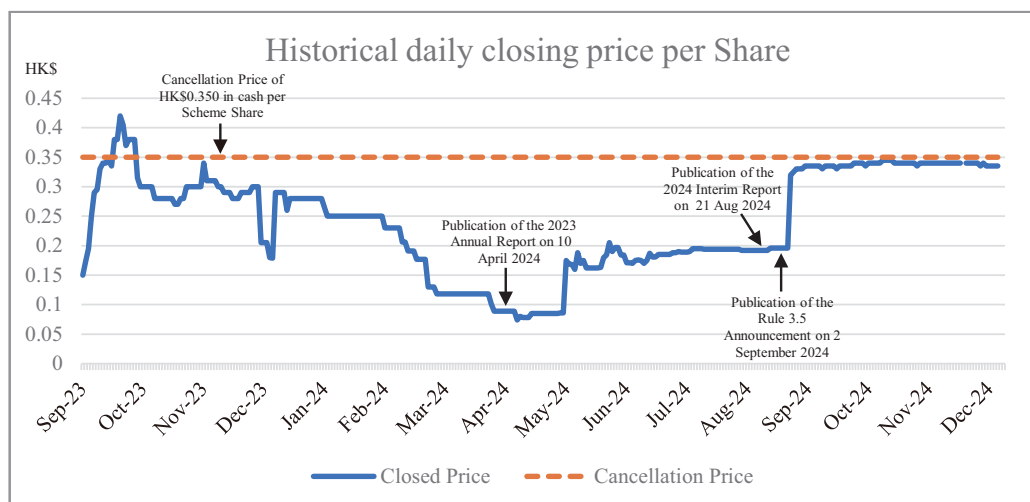
Intentions of the Offeror in respect of the Group

As disclosed in the Explanatory Statement, as at the Latest Practicable Date, the Offeror intends to withdraw the listing of Shares from the Stock Exchange upon the Scheme becoming effective and intends 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).

3. Analysis of price performance of the Shares

3.1 Historical price performance of the Shares

The chart below illustrates the daily closing price per Share as quoted on the Stock Exchange during the period from 3 September 2023 (being approximately one year prior to the date of the Announcement) up to and including the Latest Practicable Date (the “**Review Period**”), against the illustrative Cancellation Price of HK\$0.350 per Scheme Share. We consider that the Review Period of approximately one year prior to the date of the Announcement up to and including the Latest Practicable Date to be reasonable, sufficient and representative to illustrate a holistic view of the general performance of the recent Share prices, where the prevailing market sentiment can be reflected by such Share price movements and provide a meaningful comparison with the Cancellation Price.



Source: Website of the Stock Exchange (www.hkex.com.hk)

It is noted that, during the Review Period, (i) the daily closing price per Share ranged from HK\$0.074 to HK\$0.42, with an average closing price of approximately HK\$0.241; and (ii) 310 trading days out of 318 trading days exhibited a closing price per Share below the Cancellation Price of HK\$0.350 per Scheme Share.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Since the beginning of the Review Period, closing price of the Shares had been trending upward and reached its peak being HK\$0.42 per Share on 22 September 2023. Thereafter, closing price of the Shares had been fluctuating downward until 17 April 2024 to the lowest of HK\$0.074 per Share. We did not notice any notable event which might have caused the spike and plummet in the closing price of the Shares. We have discussed with the Management and were given to understand that they are not aware of any specific reasons or events which have led to the aforementioned movements of the closing price of the Shares. Subsequently, the closing price of the Shares surged to HK\$0.175 per share on 13 May 2024 and then been generally oscillating between HK\$0.162 per Share and HK\$0.205 per Share towards 23 August 2024, being the Last Trading Day. Immediately following the publication of the Announcement on 2 September 2024 and the resumption of trading in the Shares on 3 September 2024, closing price of the Shares surged to HK\$0.320 per Share, representing an increase of approximately 63.3% as compared to the closing price of Shares of HK\$0.196 on the Last Trading Day.

Since then and up to the Latest Practicable Date, the Shares closed between HK\$0.325 and HK\$0.345 per Share, suggesting that the closing price of Shares is being principally determined by the Cancellation Price. The closing price of the Shares was HK\$0.335 as at the Latest Practicable Date. The Cancellation Price of HK\$0.350 per Scheme Share represents a premium of approximately 4.48% over the closing price of Shares on the Latest Practicable Date. However, the Shareholders should be aware that the Share price may not be maintained if the Proposal is not approved or otherwise lapses.

3.2 Trading liquidity

The table below sets out (i) the average daily trading volume of the Shares; (ii) the percentage of the average daily trading volume of the Shares to total number of issued Shares; and (iii) the percentage of the average daily trading volume of the Shares to the public float of the Company at the end of the month/period during the Review Period:

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Month/Period	Total trading volume of the Shares	Total number of trading days	Average daily trading volume of the Shares <i>Approx.</i> <i>(Note 1)</i>	Percentage of the average daily trading volume of the Shares to the total number of issued Shares <i>Approx.</i> <i>(Note 2)</i>	Percentage of the average daily trading volume of the Shares to the total number of the issued Shares held by the public <i>Approx.</i> <i>(Note 3)</i>
2023					
September (<i>since 3 September</i>)	2,132,000	19	112,211	0.009%	0.023%
October	74,000	20	3,700	0.0003%	0.001%
November	162,000	22	7,364	0.001%	0.002%
December	120,000	19	6,316	0.0005%	0.001%
2024					
January	–	22	–	–	–
February	4,000	19	211	0.00002%	0.00004%
March	10,000	20	500	0.00004%	0.0001%
April	2,900,000	20	145,000	0.011%	0.030%
May	2,358,000	21	112,286	0.009%	0.023%
June	2,822,000	19	148,526	0.012%	0.030%
July	520,000	22	23,636	0.002%	0.005%
August	1,016,000	22	46,182	0.004%	0.009%
September	39,528,000	19	2,080,421	0.163%	0.426%
October	23,521,609	21	1,120,077	0.088%	0.229%
November	4,732,963	21	225,379	0.018%	0.046%
December (up to and including the Latest Practicable date)	1,336,000	12	111,333	0.009%	0.023%
Maximum			2,080,421	0.163%	0.426%
Minimum			–	–	–
Average			258,946	0.020%	0.053%

Source: Website of the Stock Exchange (www.hkex.com.hk)

Notes:

1. Calculated by dividing the total trading volume of the Shares for the respective corresponding months/periods by the total number of trading days of the Shares in the respective corresponding months/periods.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

2. Based on total number of Shares in issue at the end of each of the respective corresponding months/periods.
3. Based on the total number of Shares in issue of 380,655,532 Shares held by the Independent Scheme Shareholders as at the Latest Practicable Date.

As illustrated in the above table, the trading liquidity of the Shares was generally thin during the Review Period, with the average daily trading volumes of the Shares having accounted for a range from nil to approximately 0.16% over the total number of Shares in issue as at the end of the relevant month/period and a range from nil to approximately 0.426% of the total number of the issued Shares held by the public as at the Latest Practicable Date.

Given the thin historical average daily trading volume of the Shares, it is uncertain as to whether there would be sufficient liquidity in the Shares for the Scheme Shareholders to dispose of a significant number of Shares in the open market without exerting a downward pressure on the Share price. Accordingly, we are of the view that the Proposal provides the Scheme Shareholders with an assured exit if they wish to realise their investments in the Shares without exerting downward pressure on the trading price of the Shares.

3.3 Cancellation Price comparisons

As disclosed in the Letter from the Board, the Cancellation Price of HK\$0.350 per Scheme Share represents:

- (a) a premium of approximately 4.48% over the closing price of HK\$0.335 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (b) a premium of approximately 3.55% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the first 60 trading days up to and including the Resumption Day of approximately HK\$0.338 per Share;
- (c) a premium of approximately 4.48% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the first 30 trading days up to and including the Resumption Day of approximately HK\$0.335 per Share;
- (d) a premium of approximately 5.74% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the first 10 trading days up to and including the Resumption Day of approximately HK\$0.331 per Share;
- (e) a premium of approximately 7.03% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the first five trading days up to and including the Resumption Day of approximately HK\$0.327 per Share;
- (f) a premium of approximately 9.38% over the closing price of HK\$0.32 per Share as quoted on the Stock Exchange on 3 September 2024, being the Resumption Day;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (g) 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;
- (h) 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 the Last Trading Day of approximately HK\$0.193 per Share;
- (i) 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 the Last Trading Day of approximately HK\$0.192 per Share;
- (j) 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 the Last Trading Day of approximately HK\$0.193 per Share;
- (k) 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 the Last Trading Day of approximately HK\$0.188 per Share;
- (l) 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;
- (m) 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 the Last Trading Day of approximately HK\$0.182 per Share;
- (n) a premium of approximately 89.19% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 360 trading days up to and including the Last Trading Day of approximately HK\$0.185 per Share;
- (o) a discount of approximately 41.57% to the audited consolidated net asset value of the Group 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);

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (p) 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
- (q) a discount of approximately 39.34% to the Adjusted NAV per Share of approximately HK\$0.577 as at 30 June 2024, which the Adjusted NAV per Share as at 30 June 2024 is set out under the section headed “6. Property interest and adjusted net asset value” in Appendix I to this Scheme Document.

In summary, the Cancellation Price of HK\$0.350 per Scheme Share represents (i) a premium ranged from approximately 78.57% to 131.79% over the closing prices of the Shares for different periods up to and including the Last Trading Day; (ii) a discount of approximately 41.57% and 39.55% to the Group’s audited consolidated net asset value per Share as at 31 December 2023 and the Group’s unaudited consolidated net asset value per Share as at 30 June 2024, respectively; and (iii) a discount of approximately 39.34% to the Adjusted NAV per Share of approximately HK\$0.577. It is noted that the closing price of the Shares on the Latest Practicable Date amounted to HK\$0.335 per Share, the Cancellation Price of HK\$0.350 per Scheme Share represents a premium of approximately 4.48% over it.

4. Comparable companies

In assessing the fairness and reasonableness of the Cancellation Price, we have primarily adopted the price-to-earnings ratio (“**P/E Ratio**”) approach and price-to-book ratio (“**P/B Ratio**”) approach, which are the most commonly used benchmarks in analysing companies with a track record of generating profits and valuing a company or business. Given the Group (i) recorded a net profit attributable to the Shareholders for the year ended 31 December 2023; and (ii) the investment properties and loan receivables of the Group are crucial assets for the revenue-generating activities of the Group and collectively, accounted for approximately 80% of the total assets of the Group as at 31 December 2023, we consider the P/E Ratio and P/B Ratio are the appropriate approaches for our analysis.

For the purpose of our analysis, we have, on best effort basis, identified from the website of the Stock Exchange an exhaustive list of two companies which are (i) non-H-Share companies listed on the Main Board of the Stock Exchange, having considered that the share capital structure of H-share companies are different from that of the Company, as not all the issued shares of H-share companies can be traded in the Stock Exchange, such as its A-shares or domestic shares; (ii) with market capitalisation below HK\$1,000 million, represents approximately double of the implied market capitalisation of the Company as at the Latest Practicable Date of approximately HK\$445.9 million, as listed companies with market capitalisation far different from the Company may affect comparability; and (iii) with approximately 70% and 20% of revenue principally derived from loan financing and factoring business and investment properties holding business, respectively, for their latest

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

audited financial year, as similar to the composition of the Group’s revenue segments with the two principal businesses accounted for approximately 90% of its total revenue (the “Comparable Companies”).

Taking into consideration that (i) the Comparable Companies are listed on the Main Board of the Stock Exchange, which share similar market sentiment; (ii) the business nature, the composition of revenue segments of the Comparable Companies are similar to the Group, which the majority of revenue of the Comparable Companies are derived from loan financing and factoring business and investment properties holding business for their latest audited financial year; and (iii) the market capitalisation parameter is reasonable as discussed above, we consider such Comparable Companies are the only companies that could fulfill all the criteria and thus are appropriate to form a representative and benchmark reference for Shareholders to assess the fairness and reasonableness of the Cancellation Price. The Comparable Companies set out in the table below represented an exhaustive list of comparable companies to the Company based on the abovementioned selection criteria and would serve as a fair and representative sample for drawing a meaningful comparison to the Cancellation Price.

Comparable Companies	Stock code	Principal business	Percentage of revenue generated from loan financing and factoring business and investment properties holding business	Market capitalisation ⁽¹⁾ <i>HK\$ million</i>	P/B Ratio ^{(2) (8)} <i>times</i>	P/E Ratio ^{(3) (8)} <i>times</i>
New Century Group Hong Kong Limited (“New Century Group”)	234	Principally engaged in money lending, property investment and securities trading businesses.	Approximately 80.0% from loan financing and factoring business; approximately 19.6% from investment properties holding business	173.4	0.11	7.74

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Comparable Companies	Stock code	Principal business	Percentage of revenue generated from loan financing and factoring business and investment properties holding business	Market capitalisation ⁽¹⁾ <i>HK\$ million</i>	P/B Ratio ^{(2) (8)} <i>times</i>	P/E Ratio ^{(3) (8)} <i>times</i>
China Properties Investment Holdings Limited (“China Properties Investment”)	736	Principally engaged in money lending, properties Investment and educational support businesses.	Approximately 70.3% from loan financing and factoring business; approximately 29.7% from investment properties holding business	48.1	0.09	NA ⁽⁴⁾
				Maximum	0.11	7.74
				Minimum	0.09	7.74
				Average	0.10	7.74
The Company	668			445.9 ⁽⁵⁾	0.61 ⁽⁶⁾	33.56 ⁽⁷⁾

Source: Website of the Stock Exchange (www.hkex.com.hk)

Notes:

1. The market capitalisation was based on the closing price and the total shares in issue as at the Latest Practicable Date.
2. The P/B Ratio was based on the then market capitalisation of the respective companies as at the Latest Practicable Date, divided by the net asset value attributable to owners of the respective companies as stated in their respective then latest published annual report/interim report.
3. The P/E Ratio was based on the then market capitalisation of the respective companies as at the Latest Practicable Date, divided by the net profit attributable to owners of the respective companies as stated in their respective then latest published annual report.
4. China Properties Investment recorded a net loss for the year ended 31 March 2024. Thus, P/E Ratio is not applicable.
5. It is calculated based on the Cancellation Price multiplied by the total number of issued Shares as at the Latest Practicable Date.
6. It is calculated based on the implied market capitalisation of the Company as at the Latest Practicable Date divided by the Adjusted NAV.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

7. It is calculated based on the implied market capitalisation of the Company as at the Latest Practicable Date divided by the net profit attributable to the Shareholders for the year ended 31 December 2023 as extracted from the 2023 Annual Report.
8. For the purpose of this table, conversion of RMB into HK\$ in relation to the respective financial figures of the Comparable Companies denominated in RMB (if applicable and if any) are calculated at the approximate exchange rates of RMB1 to HK\$1.07. These exchange rates are for illustration purpose only and do not constitute a representation that any amounts have been, could have been, or may be exchanged at this or any other rate at all.

As shown in the table above, the P/B Ratios of the Comparable Companies ranged from approximately 0.09 times to 0.11 times, with an average of approximately 0.10 times. We noted that the implied P/B Ratio of the Cancellation Price of approximately 0.61 times is higher than (i) the range of the P/B Ratios of the Comparable Companies; and (ii) the average of the P/B Ratios of the Comparable Companies.

As China Properties Investment recorded a net loss for the year ended 31 March 2024, P/E Ratio is not applicable. We noted that the implied P/E Ratio of the Cancellation Price of approximately 33.56 times is higher than the P/E Ratio of New Century Group, which amounted to approximately 7.74 times.

In light of the above, we consider that the analysis provides an additional indicator to demonstrate that the Cancellation Price is fair and reasonable so far as the Independent Scheme Shareholders are concerned.

5. Privatisation precedents

To assess the fairness and reasonableness of the Cancellation Price, we have identified from the website of the Stock Exchange an exhaustive list of ten companies listed on the Main Board of the Stock Exchange, which their privatisation proposals were (i) initially announced by companies listed on the Stock Exchange at the relevant time during the Review Period; (ii) conducted by way of scheme of arrangement; (iii) involved cash consideration only (excluding combined consideration of cash and shares); and (iv) approved by disinterested shareholders or the required acceptance level was achieved, as the case may be, during the Review Period (the “**Privatisation Precedents**”).

The terms of the Privatisation Precedents set out below, in our view, demonstrate the premium over market prices needed in Hong Kong to secure a successful privatisation, i.e. how much the shareholders are being offered and the level of premium that is acceptable to shareholders in terms of historical share price ranges. Analysis of privatisation precedents is widely used in assessing the pricing of privatisation proposals in Hong Kong. Despite the business nature and scale of each company vary and some aspects of pricing may be industry-specific, we consider that the Privatisation Precedents represent an exhaustive list of privatisation proposals satisfying the above selection criteria and reflect the pricing of recent successful privatisations and recent market sentiments towards privatisations as a whole. Accordingly, we regard the Privatisation Precedents as a relevant benchmark for acceptable privatisation premium range in the market and one of the factors we consider meaningful in assessing the fairness and reasonableness of the Cancellation Price.

The table below illustrates the premiums or discounts of the cancellation prices of each of the Privatisation Precedents over or to the corresponding prevailing share prices prior to the issue of the relevant privatisation announcements:

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Date of the first announcement	Company	Stock code	Premium/(Discount) of cancellation price over/to closing share price over/to ⁽¹⁾							Last 180 trading days	Premium/(Discount) of cancellation price over/to the net asset value per share ⁽²⁾
			Last trading day	Last 5 trading days	Last 10 trading days	Last 30 trading days	Last 60 trading days	Last 120 trading days	Last 180 trading days		
15/09/2023	Lansen Pharmaceutical Holdings Limited	503	26.8%	24.1%	22.5%	20.0%	15.4%	21.8%	23.3%	(22.1)%	
06/10/2023	Pine Care Group Limited	1989	(1.1)%	0.7%	0.9%	1.5%	8.9%	27.3%	43.8%	(7.9)%	
06/10/2023	Haitong International Securities Group Limited	665	114.1%	111.1%	108.2%	126.5%	122.2%	125.2%	110.5%	(39.3)%	
04/12/2023	Weiqiao Textile Company Limited	2698	104.7%	104.9%	102.7%	111.1%	142.9%	143.6%	144.9%	(78.3)%	
14/12/2023	Sinofast Technology Group Limited	1297	29.4%	30.4%	31.2%	31.1%	22.5%	11.4%	14.2%	(78.9)%	
28/03/2024	SciClone Pharmaceuticals (Holdings) Limited	6600	17.2%	30.8%	34.1%	45.7%	47.6%	57.3%	66.6%	227.5%	
18/04/2024	Kin Yat Holdings Limited	638	33.3%	43.4%	51.6%	51.5%	53.6%	62.5%	72.1%	(57.4)%	
27/05/2024	Huaafa Property Services Group Company Limited	982	30.6%	36.8%	40.2%	70.6%	82.2%	90.0%	104.9%	970.1%	
12/06/2024	A8 New Media Group Limited	800	162.8%	159.0%	168.7%	185.7%	186.1	155.6	125.9	(48.1)%	
16/07/2024	Samson Holding Ltd.	531	50.0%	75.3%	94.6%	143.2%	181.4%	171.2%	150.0%	(47.1)%	
		Maximum	162.8%	159.0%	168.7%	185.7%	186.1%	171.2%	150.0%	970.1%	
		Minimum	(1.1)%	0.7%	0.9%	1.5%	8.9%	11.4%	14.2%	(78.9)%	
		Average	56.8%	61.7%	65.5%	78.7%	86.3%	86.6%	85.6%	81.9%	
		Median	32.0%	40.1%	45.9%	61.0%	67.9%	76.3%	88.5%	(43.2)%	
	The Company	668	78.6%	81.4%	82.3%	81.4%	86.2%	131.8%	92.3%	(39.34)% ⁽³⁾	

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Source: Website of the Stock Exchange (www.hkex.com.hk) and the LSEG Workspace, a financial data platform operated by the London Stock Exchange Group (<https://www.lseg.com/>)

Notes

1. Premiums/(discounts) shown above for certain trading periods are independently calculated as they are not disclosed in their respective announcements and they are subject to rounding differences.
2. It represents the premium/(discount) of the cancellation price over/(to) the latest available net asset value per share attributable to the shareholders of the company or adjusted NAV per share (where applicable) as extracted from their respective announcements and their relevant scheme documents.
3. The Adjusted NAV per Share was used.

As shown in the table above, the premium represented by the Cancellation Price over the closing price of the Shares on the Last Trading Day and the average closing price of the Shares across all periods are above the average and median of the respective premium/(discount) over/to the closing price of the shares of the Privatisation Precedents for all reference periods, except for being slightly lower than the average of those for the period of the last 60 trading days, and are within the range of the respective premium/(discount) over/to the closing price of the shares of the Privatisation Precedents for all reference periods.

In addition, the premium/discount of the cancellation price over/to the net asset value per share of the Privatisation Precedents ranged from a discount of approximately 78.9% to a premium of approximately 970.1% (the “NAV Range”) with a median of discount of approximately 43.2%. The Cancellation Price of HK\$0.350 per Scheme Share represents a discount of approximately 39.34% to the Adjusted NAV per Share, which was within the NAV Range of the Privatisation Precedents.

In light of the above, we consider that the Cancellation Price is fair and reasonable so far as the Independent Scheme Shareholders are concerned.

RECOMMENDATIONS

Having taking into consideration the principal factors and reasons as discussed above, in particular:

- (i) the Proposal, if implemented, will provide the Scheme Shareholders with an opportunity to realise their investment in the Company for cash at a reasonably attractive premium and to reallocate the proceeds from the disposal of the Shares to alternative investment opportunities with more liquidity;
- (ii) based on our review on (i) the audited consolidated statements of profit or loss of the Group for the two years ended 31 December 2023; (ii) the unaudited consolidated statements of profit or loss of the Group for the six months ended 30 June 2023 and 2024; (iii) the audited consolidated statements of financial position of the Group as at 31 December 2022 and 2023; (iv) the unaudited consolidated statements of financial position of the Group as at 30 June 2024; (v) the audited statements of profit or loss of the Company for the two years ended 31 December 2023; (vi) the unaudited statements of profit or loss of the Company for the six months ended 30 June 2023 and 2024; (vii) the audited statements of financial

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

position of the Company as at 31 December 2022 and 2023; and (viii) the unaudited statements of financial position of the Company as at 30 June 2024, our independent market research and discussion with the Management, we noted that the business performance of the Group has been affected by the challenges faced by the PRC economy, including the weak market sentiment and the prolonged downturn of the real estate sector, which may have aroused uncertainty in the prospect of the Group;

- (iii) with the generally thin trading liquidity of the Shares during the Review Period, it is uncertain that there would be sufficient liquidity in the Shares for the Scheme Shareholders (especially those with relatively sizeable shareholdings) to dispose of a significant number of Shares within a short period in the open market without exerting a downward pressure on the price of the Shares; and
- (iv) the Cancellation Price being fair and reasonable based on our analysis as set out in the sections headed “3. Analysis of price performance of the Shares”, “4. Comparable companies” and “5. Privatisation precedents” above,

We are of the opinion that the terms of the Proposal and the Scheme are fair and reasonable so far as the Independent Scheme Shareholders are concerned and in the interest of the Company and Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise:

- (i) the Independent Scheme Shareholders to vote in favour of the resolution to approve the Scheme at the Court Meeting; and
- (ii) the Shareholders to vote in favour of the resolution(s) in respect of the Scheme at EGM.

The Shares have traded below the Cancellation Price since the Last Trading Day and up to the Latest Practicable Date. There is still a possibility that the closing price of Shares may exceed the Cancellation Price by 4:10 p.m. on 17 January 2025, being the expected latest time for trading in the Shares on the Stock Exchange. Accordingly, the Scheme Shareholders are reminded to monitor the trading price and liquidity of the Shares during this period, and having their own circumstances, Scheme Shareholders may consider to sell their Shares in the open market if the net proceeds to be obtained from the disposal of the Shares (after deducting all transaction costs) would be higher than the net amount expected to be received under the Scheme.

* *For identification purposes only*

Yours faithfully,
For and on behalf of
Lego Corporate Finance Limited
Stanley Ng
Managing Director

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Mr. Stanley Ng is a licensed person registered with the Securities and Futures Commission and a responsible officer of Lego Corporate Finance Limited to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong). He has over 19 years of experience in the accounting and investment banking industries.

EXPLANATORY STATEMENT

This Explanatory Statement constitutes the statement required under section 671 of the Companies Ordinance.

INTRODUCTION

Reference is made to the Announcement. On 2 September 2024, the Offeror and the Company jointly announced 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. If the Proposal is approved and implemented, the listing of the Shares on the Stock Exchange will be withdrawn.

As at the Latest Practicable Date, 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 interests over, the Offeror does not legally or beneficially own, control or have direction over any Shares.

The purpose of this Explanatory Statement is to explain the terms and effects of the Proposal and, specifically, to provide the Scheme Shareholders with additional information in relation to the Proposal and the Scheme.

TERMS OF THE PROPOSAL

The Proposal is to be implemented by way of a scheme of arrangement under section 673 of the Companies Ordinance.

Subject to the Conditions being fulfilled or (where applicable) waived on or before the Long Stop Date, as applicable, the proposed privatisation of the Company will be implemented by way of the Scheme between the Company and the Scheme Shareholders.

If the Proposal is approved and implemented:

- (a) all the Scheme Shares in issue on the Scheme 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 MS 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-for-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 Scheme 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

EXPLANATORY STATEMENT

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 Remaining Scheme Shareholders whose names appear in the register of members of the Company on the Scheme Record Date as soon as possible but in any event within seven (7) Business Days following the Effective Date. Upon the Scheme becoming effective, with respect to the MS Shareholders, the Offeror will set-off the Debt on a dollar-for-dollar basis with the sum equivalent to the Cancellation Price of HK\$0.350 for each MS Scheme Share as soon as possible but in any event within seven (7) Business Days following the Effective Date.

Cancellation Price

Under the Scheme, the Scheme Shares in issue on the Scheme Record Date will be cancelled and extinguished on the Effective Date and, in consideration therefor, 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 MS Irrevocable Undertakings and Galaxy Bond's subsequent confirmation, upon the Scheme being effective, the Offeror will set-off the Debt on a dollar-for-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 Latest Practicable Date, 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).

As at the Latest Practicable Date, (i) the Company had not announced or declared any dividend, distribution or other return of capital which remains unpaid; and (ii) the Company did not intend to announce, declare and/or pay any dividend, distribution or other return of capital before the Effective Date, or the date on which the Scheme is not approved or the Proposal otherwise lapses (as the case may be).

The Cancellation Price of HK\$0.350 represents:

- (a) a premium of approximately 4.48% over the closing price of HK\$0.335 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

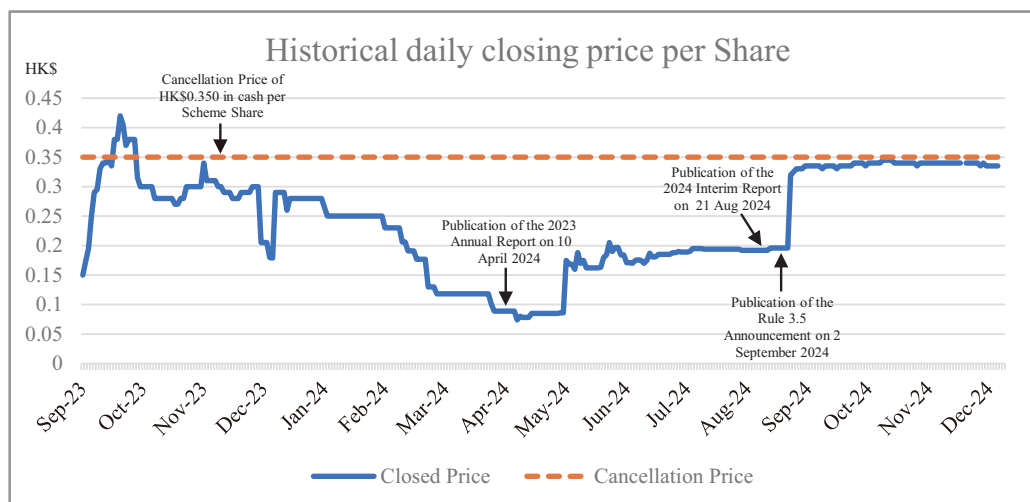
EXPLANATORY STATEMENT

- (b) a premium of approximately 3.55% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the first 60 trading days up to and including the Resumption Day of approximately HK\$0.338 per Share;
- (c) a premium of approximately 4.48% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the first 30 trading days up to and including the Resumption Day of approximately HK\$0.335 per Share;
- (d) a premium of approximately 5.74% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the first 10 trading days up to and including the Resumption Day of approximately HK\$0.331 per Share;
- (e) a premium of approximately 7.03% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the first five trading days up to and including the Resumption Day of approximately HK\$0.327 per Share;
- (f) a premium of approximately 9.38% over the closing price of HK\$0.32 per Share as quoted on the Stock Exchange on 3 September 2024, being the Resumption Day;
- (g) 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;
- (h) 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 the Last Trading Day of approximately HK\$0.193 per Share;
- (i) 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 the Last Trading Day of approximately HK\$0.192 per Share;
- (j) 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 the Last Trading Day of approximately HK\$0.193 per Share;
- (k) 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 the Last Trading Day of approximately HK\$0.188 per Share;
- (l) 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;
- (m) 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 the Last Trading Day of approximately HK\$0.182 per Share;

EXPLANATORY STATEMENT

- (n) a premium of approximately 89.19% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 360 trading days up to and including the Last Trading Day of approximately HK\$0.185 per Share;
- (o) 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);
- (p) 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); and
- (q) a discount of approximately 39.34% to the adjusted unaudited consolidated net asset value attributable to owners of the Company per Share of approximately HK\$0.577 as at 30 June 2024, which the adjusted unaudited consolidated net asset value attributable to the owners of the Company per Share as at 30 June 2024 is set out under the section headed “6. Property interest and adjusted net asset value” in Appendix I to this Scheme Document.

A summary of the historical Share price is disclosed as follows:



Source: Website of the Stock Exchange (www.hkex.com.hk)

The Cancellation Price was determined on a commercial basis after taking into account, among other things, the historical financial performance and business prospects of the Group, the financial information of the Group, the recent market prices and trading volume

EXPLANATORY STATEMENT

of the Shares traded on the Stock Exchange, and the property interests and adjusted unaudited consolidated net asset value attributable to owners of the Company based on the property valuation report set out in Appendix II to this Scheme Document.

Although there is a discount to each of the (i) audited consolidated net asset value attributable to owners of the Company as at 31 December 2023; (ii) unaudited consolidated net asset value attributable to owners of the Company as at 30 June 2024; and (iii) the adjusted unaudited consolidated net asset value of the Company attributable to owners of the Company as at 30 June 2024, the Directors consider the Cancellation Price to be fair and reasonable and in the interest of the Company and the Shareholders as a whole as: (i) the Cancellation Price represents a premium of approximately 78.57% to 131.79% over the closing prices or average closing prices of the Shares for different periods up to and including the Last Trading Day; and (ii) during the Relevant Period, the Shares have been traded in discount to the net asset value per Share. As the Shares are publicly and freely tradeable, the trading of Shares at a discount to the net asset value per Share suggests that the market and investors do not solely value the Shares based on the net asset value per Share but taking into account various other factors, such as the business and financial performance and future prospects of the Group.

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.

During the six-month period ended on and including the Last Trading Day and up to the Latest Practicable Date, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.345 on 23, 24, 25 and 28 October 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.

EXPLANATORY STATEMENT

Assuming that the Scheme becomes effective on 3 March 2025, cheques for entitlements under the Scheme will be despatched to the Remaining Scheme Shareholders whose names appear on the register of members of the Company on the Scheme Record Date as soon as possible but in any event within seven (7) Business Days following the Effective Date and accordingly, the cheques are expected to be despatched by ordinary post on or before 12 March 2025. All such cheques will be posted by ordinary post at the risk of the persons entitled thereto and none of the Offeror, the Offeror Concert Parties, the Company, Somerley, the Independent Financial Adviser, the Company's share registrar and their respective ultimate beneficial owners, directors, officers, agents and associates and any other person involved in the Proposal and the Scheme will be responsible for any loss or delay in transmission.

IRREVOCABLE UNDERTAKINGS

MS Irrevocable Undertakings

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 MS 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 their respective IU Shares at the EGM to vote in favour of the relevant resolutions to approve the Proposal. Each of Money Success, Full Brilliant, Sino Consult, Mr. Lo and Ms. Chiu has also undertaken in the relevant MS 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 MS 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-for-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 MS Irrevocable Undertakings is unconditional.

The obligations of each of Money Success, Full Brilliant, Sino Consult, Mr. Lo and Ms. Chiu under the relevant MS Irrevocable Undertakings shall terminate if (a) the Proposal lapses or is withdrawn (including if any of the Conditions are not fulfilled or (where

EXPLANATORY STATEMENT

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.

As at the Latest Practicable Date:

- (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.

As at the Latest Practicable Date, the IU Shares held by Money Success, Full Brilliant, Sino Consult and Mr. Lo and Ms. Chiu jointly, in aggregate, comprise 785,373,018 Shares in total, representing approximately 61.64% of the issued Shares and approximately 67.35% of the Scheme Shares.

Other Irrevocable Undertakings

On 27 September 2024, each of (i) Baoli International; (ii) Jin Hua; and (iii) Prime Eternal entered into the Other Irrevocable Undertakings in favour of the Offeror pursuant to which each of Baoli International, Jin Hua and Prime Eternal has irrevocably and unconditionally undertaken to the Offeror, amongst other things, that it shall exercise (or procure the registered owner(s) of their respective IU Shares (if applicable) to exercise (in person or via its proxy)) all voting rights attached to their respective 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 Joint Announcement.

Each of Baoli International, Jin Hua and Prime Eternal has also undertaken in the Other Irrevocable Undertakings, amongst others, that:

- (1) it shall not, and shall ensure that the registered holder(s) of their respective IU Shares (if applicable) not to, sell, transfer, charge all or any of their respective 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 of their respective IU Shares or any interest therein prior to the Court Meeting and the EGM;
- (2) it shall not, and shall ensure that the registered holder(s) of their respective IU Shares (if applicable) not to, enter into any agreement or other document which would prevent itself from exercising the voting rights in respect of their respective IU Shares in the resolutions relating to the Proposal in accordance with their respective Other Irrevocable Undertakings; and

EXPLANATORY STATEMENT

- (3) 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.

Each of the Other Irrevocable Undertakings is unconditional.

The obligations of each of Baoli International, Jin Hua and Prime Eternal under their respective Other Irrevocable Undertakings shall terminate if (a) the Proposal lapses or is withdrawn (including if any of the Conditions is not fulfilled or (where applicable) waived on or before the Long Stop Date); or (b) the Offeror and either of Baoli International, Jin Hua and Prime Eternal mutually agree to terminate their respective Other Irrevocable Undertaking in writing.

As at the date of the Latest Practicable Date:

- (a) Baoli International is the holder of 140,000,000 Shares, representing approximately 10.99% of the issued share capital of the Company;
- (b) Jin Hua is the holder of 70,000,000 Shares, representing approximately 5.49% of the issued share capital of the Company; and
- (c) Prime Eternal is the holder of 39,980,000 Shares, representing approximately 3.14% of the issued share capital of the Company.

As at the Latest Practicable Date, the IU Shares held by Baoli International, Jin Hua and Prime Eternal, in aggregate, comprise 249,980,000 Shares in total, representing approximately 19.62% of the issued Shares, approximately 21.44% of the Scheme Shares, approximately 65.67% of the Remaining Scheme Shares and approximately 65.67% of the Independent Scheme Shares.

Pursuant to Note 5 of the definition of “acting in concert” in the Takeovers Code, the giving of an irrevocable undertaking will not, of itself and in the absence of any other factor, lead to the presumption that the shareholder is acting in concert with that offeror. As each of Baoli International, Jin Hua and Prime Eternal (i) will only receive the Cancellation Price; and (ii) will not receive other incentives as a result of the signing of their respective Other Irrevocable Undertakings, each of them were not considered to be Offeror Concert Parties.

CONFIRMATION OF FINANCIAL RESOURCES

Subsequent to the entering of the MS 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 Scheme Record Date will be cancelled and extinguished on the Effective Date in exchange for setting-off the Debt on a dollar-for-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.

EXPLANATORY STATEMENT

As at the Latest Practicable Date, 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 Scheme 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.

Brief details of the Financing are as follows:

Date:	2 September 2024
Parties:	(1) Galaxy Bond (as borrower); and (2) the Lender (i.e. Quam Securities Limited) (as lender)
Principal amount:	An amount not exceeding HK\$133,500,000
Purpose:	Galaxy Bond shall apply all amounts borrowed by it under the Financing solely towards the payment of the Cancellation Price in respect of the Remaining Scheme Shares
Security:	Galaxy Bond has provided a charge over, among others, the Shares that are owned by Mr. Xue (i.e. 108,000,000 Shares (representing approximately 8.48% of the entire share capital of the Company as at the Latest Practicable Date)) and will be owned by Galaxy Bond (i.e. 1,166,038,550 Shares (representing approximately 91.52% of the entire share capital of the Company as at the Latest Practicable Date)) under the Proposal
Interest rate:	Interest rate shall be 17% per annum, commencing from the drawdown date

EXPLANATORY STATEMENT

Early repayment: Galaxy Bond may voluntarily repay the loan in part or in full before the final repayment date (i.e. three months after the drawdown date) provided it serves a written notice of repayment to the Lender two days prior to such early repayment

Based on the Offeror's internal resources and the principal amount of the Financing being solely utilised towards the payment of the Cancellation Price in respect of the Remaining Scheme Shares, 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.

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 Latest Practicable Date. 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 3.55% 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 Explanatory Statement. 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.

EXPLANATORY STATEMENT

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.

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 Scheme Shareholders representing at least 75% of the voting rights of the Independent Scheme Shareholders 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:

EXPLANATORY STATEMENT

- (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 Scheme 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);

EXPLANATORY STATEMENT

- (h) since the date of the 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 the 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

EXPLANATORY STATEMENT

- (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:

- (i) 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
- (ii) 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 Latest Practicable Date, 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.

EXPLANATORY STATEMENT

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 Scheme Shareholders representing at least 75% of the voting rights of the Scheme Shareholders 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.

As at the Latest Practicable Date, none of the Conditions had been fulfilled or waived (where applicable).

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.

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 Scheme Document 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 this 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 this Scheme Document and the individual circumstances of the Shareholder making the decision. The availability of the Proposal to persons who are

EXPLANATORY STATEMENT

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.

SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date:

- (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 interests 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 Latest Practicable Date). 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 Latest Practicable Date). Galaxy Bond has security interests over such 785,373,018 Shares (i.e. the MS Scheme Shares) as at the Latest Practicable Date. 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 Latest Practicable Date). 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;

EXPLANATORY STATEMENT

- (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 Latest Practicable Date). 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 Remaining 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 Latest Practicable Date). Such Shares comprise: (i) the Shares in issue as at the Latest Practicable Date which are held or beneficially owned by Mr. Cho Chun Wai (being one of the Offeror Concert Parties); and (ii) the Shares in issue as at the Latest Practicable Date which are held or beneficially owned by the Independent Scheme Shareholders as at the Latest Practicable Date;
- (i) the Scheme Shareholders 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 Latest Practicable Date). 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 during the Relevant Period.

As at the Latest Practicable Date, the Company does not have any share scheme and the Company has no intention to adopt any share scheme.

EXPLANATORY STATEMENT

Assuming that: (a) no further Shares will be issued by the Company on or before the Scheme 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 Latest Practicable Date and immediately upon completion of the Proposal is set out below:

	As at the Latest Practicable Date		Immediately upon completion of the Proposal	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i> ⁶	<i>Approximate %</i>
<i>Offeror</i>				
Galaxy Bond ¹	–	–	1,166,038,550	91.52
Sub-total	–	–	1,166,038,550	91.52
 <i>Offeror Concert Parties (the Shares of which do not form part of the Scheme Shares)</i>				
Mr. Xue ¹	108,000,000	8.48	108,000,000	8.48
Sub-total	108,000,000	8.48	108,000,000	8.48
 <i>Offeror Concert Parties (the Shares of which form part of the Scheme Shares)</i>				
Money Success ²	670,373,018	52.62	–	–
Full Brilliant ²	30,000,000	2.35	–	–
Sino Consult ²	60,000,000	4.71	–	–
Mr. Lo and Ms. Chiu ²	25,000,000	1.96	–	–
Mr. Cho Chun Wai ³	10,000	0.00	–	–
Sub-total	785,383,018	61.64	–	–
 <i>Others</i>				
Independent Scheme Shareholders ⁴	380,655,532	29.88	–	–
Sub-total	380,655,532	29.88	–	–
 Total number of Shares in issue	 1,274,038,550	 100.00	 1,274,038,550	 100.00
 Total number of Scheme Shares⁵	 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.

EXPLANATORY STATEMENT

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 in the sum of HK\$274,880,556.30 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 will 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 will 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 Scheme Record Date which are held or beneficially owned by the MS Shareholders; (b) the Shares in issue on the Scheme 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 Scheme 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.

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 lapses, the shareholding structure of the Company as at the Latest Practicable Date as set out in the table above shall remain unchanged (assuming that there is no other change in the shareholding structure of the Company from the Latest Practicable Date and up to the date on which the Scheme is not approved or the Proposal lapses). Accordingly, the Company will continue to be able to maintain sufficient public float in the Shares as required under Rule 8.08 of the Listing Rules in the event that the Proposal or the Scheme lapse.

EXPLANATORY STATEMENT

SCHEME OF ARRANGEMENT UNDER SECTION 673 OF THE COMPANIES ORDINANCE AND THE COURT MEETING

Under section 670 of the Companies Ordinance, where an arrangement is proposed to be entered into by a company with the members, or any class of the members, of the company, the Court may, on an application made by the company, any of the members or any member of that class, order a meeting of those members or of that class of members, as the case may be, to be summoned in any manner that the Court directs.

Under section 673 of the Companies Ordinance, if the members or the class of members with whom the arrangement is proposed to be entered into agree or agrees to the arrangement, the Court may, on application by the company, any of the members or any member of that class, as the case may be, sanction the arrangement. An arrangement sanctioned by the Court as aforesaid is binding on the members or the class of members with whom the arrangement is proposed to be entered into.

The Scheme is a takeover offer under section 674 of the Companies Ordinance. Under section 674 of the Companies Ordinance, where the arrangement involves a takeover offer, the members or the class of members agree or agrees to the arrangement if, at a meeting summoned as directed by the Court as aforesaid, members representing at least 75% of the voting rights of the members or the class of members, as the case may be, present and voting, in person or by proxy, agree to the arrangement and the votes cast against the arrangement at the meeting do not exceed 10% of the total voting rights attached to all Disinterested Shares in the company or of the class in the company, as the case may be.

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,274,038,550 Shares, of which 1,166,038,550 Shares will be regarded as Scheme Shares and subject to the Scheme. Save for the 785,383,018 Shares (representing approximately 61.64% of the issued share capital of the Company) held by the Offeror Concert Parties as at the Latest Practicable Date, all the remaining 380,655,532 Independent Scheme Shares (representing approximately 29.88% of the issued share capital of the Company) were considered to be Disinterested Shares within the meaning of section 674(3)(a) of the Companies Ordinance.

Each of (i) Money Success; (ii) Full Brilliant; (iii) Sino Consult; and (iv) Mr. Lo and Ms. Chiu jointly has given the MS Irrevocable Undertakings to the Offeror. Each of Mr. Lo and Mr. Cho Chun Wai are executive Directors. Save for (i) Mr. Lo's interests in the Proposal by way of signing MS Irrevocable Undertakings; and (ii) Mr. Lo and Mr. Cho Chun Wai's respective positions as executive Director, none of the Directors are materially interested in the Scheme or is required to abstain from voting on the board resolution(s) of the Company approving the Proposal under the relevant requirements of the articles of association of the Company.

EXPLANATORY STATEMENT

ADDITIONAL REQUIREMENTS AS IMPOSED BY RULE 2.10 OF THE TAKEOVERS CODE

In addition to satisfying any requirements under the Companies Ordinance as summarised above, under Rule 2.10 of the Takeovers Code, except with the consent of the Executive, the Scheme may only be implemented if:

- (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.

As at the Latest Practicable Date, the number of votes representing approximately 10% of the votes attaching to all the Independent Scheme Shares was 38,065,553 Shares.

BINDING EFFECT OF THE SCHEME

Notwithstanding the fact that there may be a dissenting minority, if the Scheme is approved at the Court Meeting in accordance with the requirements of section 673 of the Companies Ordinance and Rule 2.10 of the Takeovers Code and is sanctioned by the Court and the other Conditions are either fulfilled or (as applicable) waived, then the Scheme will become binding on the Company and all the Scheme Shareholders, regardless of whether or how they voted at the Court Meeting and the EGM.

INTENTION OF THE OFFEROR IN RESPECT OF THE GROUP

As at the Latest Practicable Date, the Offeror intends to withdraw the listing of Shares from the Stock Exchange upon the Scheme becoming effective and intends 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 Latest Practicable Date, 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.

EXPLANATORY STATEMENT

As at the Latest Practicable Date, 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 MS 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-for-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.

Your attention is drawn to Appendix I and Appendix III to this Scheme Document for further information.

OVERSEAS SCHEME SHAREHOLDERS

This Scheme Document has been prepared for the purposes of complying with the laws of Hong Kong, the Takeovers Code and the Listing Rules and the information disclosed may not be the same as that which would have been disclosed if this Scheme Document had been prepared in accordance with the laws of jurisdictions outside Hong Kong.

This Scheme Document 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 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. Scheme Shareholders 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. The Offeror and the Company do not represent that this Scheme Document may be lawfully distributed in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Offeror and the Company which is intended to permit a public offering or the distribution of this Scheme Document in any jurisdiction (other than Hong Kong) where action for that purpose is required. Accordingly, it is prohibited to (i) copy, distribute or publish all or part of this Scheme Document or any

EXPLANATORY STATEMENT

advertisement or other offering material in any jurisdiction (other than Hong Kong); (ii) disclose its content; or (iii) use information contained therein for any purpose other than assessment of the Proposal.

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.

The table below sets out the number of Scheme Shareholders whose addresses as shown in the register of members of the Company were outside Hong Kong as at the Latest Practicable Date:

Relevant jurisdiction outside Hong Kong	Number of Scheme Shareholders	Number of Scheme Shares held by such Scheme Shareholders	Approximate percentage of the entire issued share capital of the Company
Japan	2	306,000	0.02%
United States	1	4,000	0.00%
Total	3	310,000	0.02%

Any acceptance by the Scheme Shareholders will be deemed to constitute a representation and warranty from such persons to the Offeror, the Company and their respective advisers (including Somerley and the Independent Financial Adviser) that all applicable overseas laws and regulations have been complied with. If you are in doubt as to your position, you should consult your professional advisers. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees will give, or be subject to, the above warranty and representation.

Overseas Shareholders in Japan

Under the Scheme, the consideration for cancellation of the Scheme Shares is by cash, and not by shares, thus, the Scheme does not involve a solicitation of securities under the Financial Instrument and Exchange Act (“FIEL”). Even if the Proposal included solicitation of some securities, the Scheme nevertheless would not be subject to registration under FIEL on the ground that such solicitation would constitute “shoninzu-muke kanyu” (in Japanese, and translated into English as a “solicitation to a small number of investors”) under FIEL. The Financial Services Agency of Japan and the Kanto Local Finance Bureau have not

EXPLANATORY STATEMENT

passed upon the accuracy or adequacy of this Scheme Document or otherwise approved or authorised the Scheme to investors residing in Japan and no such approval or authorisation will be sought.

Overseas Shareholders in U.S.

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 and 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 U.S. 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, 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 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 of the Company is recommended to consult his/her/its independent professional adviser immediately regarding the tax consequences of the Proposal and the Scheme applicable to him/her/it.

It may be difficult for a U.S. holder of the securities of the Company to enforce his/her/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 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 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 of the Proposal or the Scheme, or determined if this Scheme Document is accurate or complete. Any representation to the contrary is a criminal offence in the United States.

This Scheme Document 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 Offeror or the Company in the United States.

EXPLANATORY STATEMENT

WITHDRAWAL OF LISTING OF THE SHARES ON THE STOCK EXCHANGE

Upon the Scheme becoming effective, all the Scheme Shares in issue on the Scheme 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 after one (1) clear Business Day following the Effective Date.

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. An indicative expected timetable in relation to the Proposal is included in the “Expected timetable” section of this Scheme Document.

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.

As 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.

REGISTRATION AND PAYMENT

Closure of the register of members of the Company

Assuming that the Scheme Record Date falls on 25 February 2025, it is proposed that the register of members of the Company will be closed from 18 February 2025 onwards (or such other date as the Shareholders may be notified by announcement) in order to determine the entitlements of the Remaining Scheme Shareholders to receive the Cancellation Price. During such period, no transfer of Shares will be effected.

EXPLANATORY STATEMENT

In order to qualify for such entitlements to receive the Cancellation Price under the Proposal, all transfers accompanied by the relevant share certificates must be lodged at the office of the share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong before 4:30 p.m. on 17 February 2025 (or such other date as the Shareholders may be notified by announcement).

Payment of the Cancellation Price to the Remaining Scheme Shareholders

In the event that the Scheme becomes effective, payment of the Cancellation Price will be made to the Remaining Scheme Shareholders whose names appear on the register of members of the Company on the Scheme Record Date in accordance with the terms of the Scheme. Cheques for payment of the Cancellation Price to the Remaining Scheme Shareholders will be despatched as soon as practicable but in any event within seven (7) Business Days following the Effective Date. Assuming that the Scheme becomes effective on 3 March 2025, cheques for payment of the Cancellation Price to the Remaining Scheme Shareholders will be despatched by ordinary post on or before 12 March 2025.

Cheques for the payment of the Cancellation Price will be sent by ordinary post in postage pre-paid envelopes addressed to the persons entitled thereto at their respective registered addresses or, in the case of joint holders, to the registered address of that joint holder whose name then stands first in the register of members of the Company in respect of the joint holding. For Beneficial Owners that hold Remaining Scheme Shares through a nominee (other than HKSCC Nominees), cheques issued in the name of the nominee will be sent by post in pre-paid envelopes addressed to the nominee. All such cheques will be posted by ordinary post at the risk of the persons entitled thereto and none of the Offeror, the Company, Somerley, the Independent Financial Adviser and the Company's share registrar and their respective directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Proposal will be responsible for any loss or delay in transmission.

On or after the day being six (6) calendar months after the posting of the cheques, the Offeror shall have the right to cancel or countermand payment of any such cheque which has not been cashed or has been returned uncashed and shall place all monies represented thereby in a deposit account in the Offeror's name with a licensed bank in Hong Kong selected by the Offeror.

The Offeror shall hold such monies until the expiry of six (6) years from the Effective Date and shall, prior to such date, make payments therefrom of the sums payable pursuant to the Scheme to persons who satisfy the Offeror that they are respectively entitled thereto and the cheques of which they are payees have not been cashed. Any payments made by the Offeror shall not include any interest accrued on the sums to which the respective persons are entitled pursuant to the Scheme. The Offeror shall exercise its absolute discretion in determining whether or not it is satisfied that any person is so entitled, and a certificate of the Offeror to the effect that any particular person is so entitled or not so entitled, as the case may be, shall be conclusive and binding upon all persons claiming an interest in the relevant monies.

EXPLANATORY STATEMENT

On the expiry of six (6) years from the Effective Date, the Offeror shall be released from any further obligation to make any payments under the Scheme and the Offeror shall be absolutely entitled to the balance (if any) of the sums then standing to the credit of the deposit account in its name, including accrued interest subject to any deduction required by law and expenses incurred.

Assuming that the Scheme becomes effective, the register of members of the Company will be updated accordingly to reflect the cancellation and extinguishment of all the Scheme Shares in issue on the Scheme Record Date and all existing certificates for such Scheme Shares will cease to have effect as documents or evidence of title as from the Effective Date, which is expected to be on 3 March 2025.

Save for the set-off of the Debt on a dollar-for-dollar basis with the sum equivalent to the Cancellation Price of HK\$0.350 for each MS Scheme Share cancelled and extinguished, settlement of the Cancellation Price to which any Scheme Shareholder is entitled will be implemented in full in accordance with the terms of the Proposal without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Scheme Shareholder.

HYBRID COURT MEETING AND EGM

Court Meeting

The Court has directed that the Court Meeting be convened for the purpose of considering and, if thought fit, approving the Scheme (with or without modification).

The Scheme will be subject to the approval by Scheme Shareholders, whose names appear in the register of members of the Company as at the Record Date, at the Court Meeting in the manner referred to in the section headed “Conditions of the Proposal” above in this Explanatory Statement.

As at the Latest Practicable Date:

- (a) 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 interests over, the Offeror does not legally or beneficially own, control or have direction over any Shares;
- (b) 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 Latest Practicable Date). 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;
- (c) 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

EXPLANATORY STATEMENT

61.64% of the entire issued share capital of the Company as at the Latest Practicable Date). Galaxy Bond has security interests over such 785,373,018 Shares (i.e. the MS Scheme Shares) as at the Latest Practicable Date. 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;

- (d) 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 Latest Practicable Date). 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;
- (e) 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;
- (f) 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 Latest Practicable Date). 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;
- (g) the Remaining 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 Latest Practicable Date). Such Shares comprise: (i) the Shares in issue as at the Latest Practicable Date which are held or beneficially owned by Mr. Cho Chun Wai (being one of the Offeror Concert Parties); and (ii) the Shares in issue as at the Latest Practicable Date which are held or beneficially owned by the Independent Scheme Shareholders as at the Latest Practicable Date; and
- (i) the Scheme Shareholders 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 Latest Practicable Date). Such Shares comprise: (i) the MS Scheme Shares; and (ii) the Remaining Scheme Shares.

EXPLANATORY STATEMENT

Notice of Court Meeting is set out in Appendix V to this Scheme Document. The Court Meeting will be held at 10:00 a.m. on Friday, 17 January 2025 at the time and place specified in the notice. All Shareholders whose names appear in the register of members of the Company as at the Record Date will be entitled to attend the Court Meeting, but only the Independent Scheme Shareholders will be entitled to vote at the Court Meeting. Baoli International, the holder of 140,000,000 Shares (representing approximately 10.99% of the issued share capital of the Company), Jin Hua, the holder of 70,000,000 Shares (representing approximately 5.49% of the issued share capital of the Company), and Prime Eternal, the holder of 39,980,000 Shares (representing approximately 3.14% of the issued share capital of the Company) have irrevocably undertaken to vote in favour of the resolution to approve the Scheme at the Court Meeting. The (i) 108,000,000 Shares (representing approximately 8.48% of the entire issued share capital of the Company as at the Latest Practicable Date) held by Mr. Xue; (ii) the 785,373,018 Shares (representing approximately 61.64% of the entire issued share capital of the Company as at the Latest Practicable Date) held by the MS Shareholders; and (iii) the 10,000 Shares (representing a negligible percentage of the entire issued share capital of the Company as at the Latest Practicable Date) held by Mr. Cho Chun Wai will not be voted at the Court Meeting.

EGM

Immediately following the conclusion of the Court Meeting, the EGM will be held for the purpose of considering and, if thought fit, passing (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 Scheme 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.

All Shareholders whose names appear in the register of members of the Company as at the Record Date will be entitled to attend and vote at the EGM. The MS Shareholders, Baoli International, Jin Hua and Prime Eternal have irrevocably undertaken that they will vote in favour of the resolutions to be proposed at the EGM. Mr. Cho Chun Wai, an executive Director, has indicated that he will vote in favour of the resolutions to be proposed at the EGM. Mr. Xue, being the sole director of the Offeror, intends to vote in favour of the resolutions to be proposed at the EGM.

Notice of the EGM is set out in Appendix VI to this Scheme Document. The EGM will be held at the same place and on the same date at 10:30 a.m. on Friday, 17 January 2025 or immediately after the conclusion or adjournment of the Court Meeting.

EXPLANATORY STATEMENT

Hybrid meeting arrangement

The Court Meeting and the EGM will be in the form of a hybrid meeting. In addition to the traditional physical attendance at the Court Meeting and the EGM, the Overseas Scheme Shareholders (in the case of the Court Meeting) or Overseas Shareholders (in the case of the EGM) as at the Record Date have the option of attending, participating and voting in the Court Meeting and/or the EGM (as the case may be) through online access by visiting the website at http://meetings.computershare.com/Doyen_CM2025 and http://meetings.computershare.com/Doyen_EGM2025, respectively (the “**Online Platform**”).

Overseas Scheme Shareholders as at the Record Date participating in the Court Meeting and Overseas Shareholders as at the Record Date participating in the EGM using the Online Platform will also be counted towards the quorum and will also be able to cast their votes, and submit questions and comments relevant to the proposed resolutions through the Online Platform. Overseas Shareholders choosing physical attendance at the Court Meeting and/or the EGM should not access the Online Platform to exercise their voting rights and should use the physical voting papers provided thereat to cast your votes at the Court Meeting or the EGM (as the case may be).

Please note that the choice of physical attendance or online attendance through the Online Platform would not affect the right of the Overseas Shareholders to appoint the Chairman of the Court Meeting and the Chairman of the EGM, respectively, as your proxy to exercise your voting rights at the Court Meeting or the EGM (as the case may be). However, in the event that you choose to attend the physical Court Meeting or physical EGM (as the case may be) or use the Online Platform and vote at the relevant meeting after having lodged your proxy forms, the returned proxy forms shall be deemed to have been revoked by operation of law.

For further details on the hybrid court meeting arrangements for Overseas Scheme Shareholders and Overseas Shareholders, please refer to the notes to the notice of Court Meeting and notice of the EGM.

For enquiries, please contact Computershare in person, by phone or online form, contact details of which are as follows:

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre,
183 Queen’s Road East,
Wanchai, Hong Kong
Telephone: (852) 2862 8555
Website: www.computershare.com/hk/contact

EXPLANATORY STATEMENT

ACTIONS TO BE TAKEN

Actions to be taken by the Shareholders

For the purpose of determining the entitlement of the Scheme Shareholders to attend and vote at the Court Meeting and the entitlement of the Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Friday, 10 January 2025 to Friday, 17 January 2025 (both days inclusive) (or such other dates as may be notified by the Company by way of announcement(s)), and during such period, no transfer of the Shares will be registered. In order to qualify to attend and vote at the Court Meeting and the EGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712 – 1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. (Hong Kong time) on Thursday, 9 January 2025.

Form of proxy

A **pink** form of proxy for use at the Court Meeting and a **white** form of proxy for use at the EGM are enclosed with copies of this Scheme Document despatched as required to the Shareholders. Alternatively, copies of the forms of proxy can be: (i) obtained from the Company's share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong; or (ii) downloaded from the websites of either the Stock Exchange at www.hkexnews.hk or the Company at <http://www.doyenintl.com>.

Whether or not you intend to attend the Court Meeting and/or the EGM or any adjournment thereof in person, if you are a Scheme Shareholder, you are strongly recommended to complete and sign the enclosed **pink** form of proxy in respect of the Court Meeting, and if you are a Shareholder, you are strongly recommended to complete and sign the enclosed **white** form of proxy in respect of the EGM, in accordance with the instructions printed thereon, and to lodge them at the office of the Company's share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. **In order to be valid, the pink form of proxy for use at the Court Meeting should be lodged not less than 48 hours before the time appointed for holding the Court Meeting (i.e. on or before Wednesday, 15 January 2025 at 10:00 a.m. (Hong Kong time)) or any adjourned meeting thereof. If the pink form of proxy is not so lodged, it may also be handed to the Chairman of the Court Meeting who shall have absolute discretion as to whether or not to accept it. The white form of proxy for use at the EGM should be lodged not less than 48 hours before the time appointed for holding the EGM (i.e. on or before Wednesday, 15 January 2025 at 10:30 a.m. (Hong Kong time)) or any adjourned meeting thereof.** Completion and delivery of an instrument appointing a proxy for the Court Meeting and/or the EGM shall not preclude you from attending and voting in person at the relevant meeting or any adjournment thereof, and in such event, the instrument appointing a proxy shall be deemed to be revoked.

EXPLANATORY STATEMENT

If you do not appoint a proxy and you do not attend and vote at the Court Meeting and/or the EGM, you will still be bound by the outcome of the Court Meeting and/or the EGM. You are therefore strongly recommended to attend and vote at the Court Meeting and/or the EGM in person or by proxy.

Voting at the Court Meeting and the EGM will be taken by poll as required under the Listing Rules and the Takeovers Code.

Announcement of the results of the Court Meeting and the EGM

The Offeror and the Company will make an announcement in relation to the results of the Court Meeting and the EGM in accordance with Rule 19.1 of the Takeovers Code to the extent applicable. If all the resolutions are passed at the Court Meeting and the EGM, further announcement(s) will be made by the Company on the results of the hearing of the petition for the sanction of the Scheme by the Court and, if the Scheme is sanctioned, the Effective Date and the date of withdrawal of the listing of the Shares on the Stock Exchange in accordance with the requirements of the Takeovers Code and the Listing Rules.

ACTIONS TO BE TAKEN BY BENEFICIAL OWNERS WHOSE SHARES ARE HELD BY A REGISTERED OWNER OR DEPOSITED IN CCASS

No person shall be recognised by the Company as holding any Shares on trust.

If you are a Beneficial Owner whose Shares are registered in the name of a nominee, trustee, depository or any other authorised custodian or third party, you should contact such Registered Owner to give instructions to and/or to make arrangements with such Registered Owner as to the manner in which the Shares beneficially owned by you should be voted at the Court Meeting and/or the EGM.

If you are a Beneficial Owner who wishes to attend the Court Meeting and/or the EGM personally, you should: (a) contact the Registered Owner directly to make the appropriate arrangements with the Registered Owner to enable you to attend and vote at the Court Meeting and/or the EGM and, for such purpose, the Registered Owner may appoint you as his/her/its proxy; or (b) arrange for some or all of the Shares registered in the name of the Registered Owner to be transferred into your own name, if you wish to vote (in person or by proxy) at the Court Meeting and/or the EGM.

The appointment of a proxy by the Registered Owner at the Court Meeting and/or the EGM shall be in accordance with all relevant provisions in the articles of association of the Company.

In the case of the appointment of a proxy by the Registered Owner, the relevant forms of proxy shall be completed and signed by the Registered Owner and shall be lodged in the manner and no later than the latest time for lodging the relevant forms of proxy as more particularly set out in this Scheme Document.

EXPLANATORY STATEMENT

Completion and delivery of an instrument appointing a proxy for the Court Meeting and/or the EGM shall not preclude the Registered Owner from attending and voting in person at the relevant meeting or any adjournment thereof, and in such event, the instrument appointing a proxy shall be deemed to be revoked.

Instructions to and/or arrangements with the Registered Owner should be given or made in advance of the relevant latest time for the lodgement of the forms of proxy in respect of the Court Meeting and/or the EGM in order to provide the Registered Owner with sufficient time to complete his/her/its forms of proxy accurately and to submit them by the deadline. To the extent that any Registered Owner requires instructions from or arrangements to be made with any Beneficial Owner at a particular date or time in advance of the relevant latest time for the lodgement of the forms of proxy in respect of the Court Meeting and/or the EGM, such Beneficial Owner should comply with the requirements of such Registered Owner.

HKSCC Nominees may vote for and against the Scheme in accordance with instructions received from CCASS participants.

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered under the name of HKSCC Nominees, you must, unless you are an Investor Participant, contact your broker, custodian, nominee or other relevant person who is, or has, in turn, deposited such Shares with, a CCASS participant regarding voting instructions to be given to such persons, or alternatively to arrange for some or all of such Shares to be withdrawn from CCASS and transferred into your own name, if you wish to vote in respect of the Scheme. The procedure for voting in respect of the Scheme by the Investor Participants and the Other CCASS Participants with respect to Shares registered under the name of HKSCC Nominees shall be in accordance with the “Operating Guide for Investor Participants”, the “General Rules of CCASS” and the “CCASS Operational Procedures” in effect from time to time.

EXERCISING YOUR RIGHT TO VOTE

IF YOU ARE A SHAREHOLDER OR A BENEFICIAL OWNER, THE OFFEROR AND THE COMPANY STRONGLY RECOMMEND YOU TO EXERCISE YOUR RIGHT TO VOTE OR GIVE INSTRUCTIONS TO THE RELEVANT REGISTERED OWNER TO VOTE IN PERSON OR BY PROXY AT THE COURT MEETING AND AT THE EGM. IF YOU KEEP ANY SHARES IN A SHARE LENDING PROGRAMME, THE OFFEROR AND THE COMPANY URGE YOU TO RECALL ANY OUTSTANDING SHARES ON LOAN TO AVOID MARKET PARTICIPANTS USING BORROWED SHARES TO VOTE.

IF YOU ARE A REGISTERED OWNER HOLDING SHARES ON BEHALF OF BENEFICIAL OWNERS, THE OFFEROR AND THE COMPANY WOULD BE GRATEFUL IF YOU WOULD INFORM THE RELEVANT BENEFICIAL OWNERS ABOUT THE IMPORTANCE OF EXERCISING THEIR RIGHT TO VOTE.

EXPLANATORY STATEMENT

IF THE PROPOSAL IS APPROVED, IT WILL BE BINDING ON ALL OF THE SCHEME SHAREHOLDERS, IRRESPECTIVE OF WHETHER OR NOT YOU ATTENDED OR VOTED AT THE COURT MEETING OR THE EGM.

IF YOU ARE IN ANY DOUBT AS TO THIS SCHEME DOCUMENT AND THE ACTION TO BE TAKEN, YOU ARE ENCOURAGED TO AND SHOULD CONSULT YOUR LICENSED SECURITIES DEALER OR REGISTERED INSTITUTION IN SECURITIES, BANK MANAGER, SOLICITOR, PROFESSIONAL ACCOUNTANT OR OTHER PROFESSIONAL ADVISER.

TAXATION AND INDEPENDENT ADVICE

As the cancellation of the Scheme Shares upon the Scheme becoming effective do not involve the sale and purchase of any Hong Kong stock, no stamp duty will be payable pursuant to the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong) in this respect.

Scheme Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of the Proposal and the Scheme. It is emphasised that none of the Offeror, the Offeror Concert Parties, the Company, Somerley, 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.

FURTHER INFORMATION

Further information in relation to the Proposal and the Scheme is set out in the appendices to this Scheme Document, all of which form part of this Explanatory Statement.

Shareholders should rely only on the information contained in this Scheme Document. None of the Offeror, the Offeror Concert Parties, the Company, Somerley, the Independent Financial Adviser, the Company's share registrar and their respective ultimate beneficial owners, directors, officers, agents and associates and any other person involved in the Proposal and the Scheme have authorised anyone to provide you with information that is different from what is contained in this Scheme Document.

LANGUAGE

In case of any inconsistency, the English language text of this Scheme Document and the accompanying forms of proxy shall prevail over the Chinese language text.

1. FINANCIAL SUMMARY OF THE GROUP

Consolidated statement of profit or loss

The following is a summary of (i) the audited financial results of the Group for each of the three financial years ended 31 December 2021, 2022 and 2023; and (ii) the unaudited financial results of the Group for the six months ended 30 June 2023 and 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	
	2021 HK\$'000	2022 HK\$'000	2023 HK\$'000	2023 HK\$'000	2024 HK\$'000
Revenue	140,974	107,120	72,582	35,073	37,550
Purchases	(68,531)	(37,713)	(6,156)	(1,747)	(1,877)
Staff costs	(18,444)	(18,056)	(15,755)	(5,769)	(6,175)
Depreciation	(3,308)	(2,458)	(1,991)	(967)	(1,158)
Other income	3,763	1,431	780	174	588
Other gains and losses	8,309	(21,778)	(6,122)	(4,295)	(1,322)
Fair value gains/(losses) on investment properties	15,822	(31,377)	4,781	-	-
Reversal of impairment losses on loan receivables, net	22,137	297	6,695	-	-
Impairment losses on trade receivables, net	(27)	(5)	(586)	-	-
Impairment losses on goodwill	(2,078)	-	-	-	-
Other tax expenses	(2,551)	-	-	-	-
Other operating expenses	(13,084)	(13,010)	(16,970)	(5,576)	(7,379)
Finance income, net	369	155	1,249	889	1,146
Profit/(loss) before tax	83,351	(15,394)	38,507	17,782	21,373
Income tax expenses	(14,377)	(3,105)	(18,616)	(7,113)	(6,435)
Profit/(loss) for the year/ period	<u>68,974</u>	<u>(18,499)</u>	<u>19,891</u>	<u>10,669</u>	<u>14,938</u>

APPENDIX I**FINANCIAL INFORMATION OF THE GROUP**

	Year ended 31 December			Six months ended 30 June	
	2021	2022	2023	2023	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Attributable to:					
Owners of the Company	54,185	(17,317)	13,286	6,980	10,698
Non-controlling interests	<u>14,789</u>	<u>(1,182)</u>	<u>6,605</u>	<u>3,689</u>	<u>4,240</u>
	<u>68,974</u>	<u>(18,499)</u>	<u>19,891</u>	<u>10,669</u>	<u>14,938</u>
	<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>
Earnings/(loss) per share					
Basic and diluted	4.25	(1.36)	1.04	0.55	0.84

Note: All the above figures regarding the three financial years ended 31 December 2021, 2022 and 2023 derived from continuing operations.

No dividend was paid or proposed for each of the three financial years ended 31 December 2021, 2022 and 2023 and the six months ended 30 June 2023 and 2024, nor has any dividend been proposed since 30 June 2024.

Consolidated statement of financial position

The following is a summary of (i) the audited financial statements of the Group as at 31 December 2021, 2022 and 2023; and (ii) the unaudited financial statements of the Group as at 30 June 2024 as extracted from the published financial statements of the Group for the relevant years/period.

APPENDIX I
FINANCIAL INFORMATION OF THE GROUP

	As at 31 December			As at 30 June
	2021	2022	2023	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Non-current assets				
Property, plant and equipment	70	21	29	31
Right-of-use assets	1,401	4,241	3,507	2,632
Investment properties	335,364	278,690	295,702	288,713
Intangible assets	7,096	7,096	7,096	7,096
Deferred tax assets	20,721	26,674	18,138	20,272
	<u>364,652</u>	<u>316,722</u>	<u>324,472</u>	<u>318,744</u>
Current assets				
Loan receivables	657,678	520,074	495,465	501,154
Trade receivables	11,019	11,037	10,542	3,916
Prepayments, deposits and other receivables	6,740	2,485	5,567	13,198
Financial assets at fair value through profit or loss	7,262	6,894	6,977	7,072
Cash and cash equivalents	40,204	147,319	159,548	144,088
	<u>722,903</u>	<u>687,809</u>	<u>678,099</u>	<u>669,428</u>
Current liabilities				
Accruals and other payables	29,712	26,413	23,909	25,370
Amounts due to related companies	1,035	1,429	1,146	–
Lease liabilities	1,284	1,830	2,066	1,830
Current tax liabilities	28,222	30,259	32,169	37,247
	<u>60,253</u>	<u>59,931</u>	<u>59,290</u>	<u>64,447</u>
Net current assets	662,650	627,878	618,809	604,981
Total assets less current liabilities	1,027,302	944,600	943,281	923,725
Non-current liabilities				
Other payables	–	–	1,345	–
Lease liabilities	172	2,400	1,384	877
Deferred tax liabilities	4,007	1,647	2,683	4,539
	<u>4,179</u>	<u>4,047</u>	<u>5,412</u>	<u>5,416</u>
NET ASSETS	1,023,123	940,553	937,869	918,309
Capital and reserve				
Share capital	1,174,378	1,174,378	1,174,378	1,174,378
Reserves	(349,502)	(410,359)	(411,132)	(436,499)
Equity attributable to owners of the Company	824,876	764,019	763,246	737,879
Non-controlling interests	198,247	176,534	174,623	180,430
TOTAL EQUITY	1,023,123	940,553	937,869	918,309

The auditors' reports issued by the Company's auditors, Baker Tilly Hong Kong Limited, in respect of each of the three financial years ended 31 December 2021, 2022 and 2023 did not contain any modified opinion, emphasis of matter or material uncertainty related to going concern.

Save as disclosed above, there are no other items of income or expense or non-controlling interests which are material for each of the three financial years ended 31 December 2021, 2022 and 2023 and the six months ended 30 June 2024.

2. FINANCIAL STATEMENTS OF THE GROUP

The Company is required to set out or refer to in this Scheme Document the consolidated statement of financial position, consolidated statement of cash flows and any other primary statement as shown in (i) the audited consolidated financial statements of the Group for the year ended 31 December 2021 (the "**2021 Financial Statements**"); (ii) the audited consolidated financial statements of the Group for the year ended 31 December 2022 (the "**2022 Financial Statements**"); (iii) the audited consolidated financial statements of the Group for the year ended 31 December 2023 (the "**2023 Financial Statements**"); and (iv) the unaudited consolidated financial statements of the Group for the six months ended 30 June 2024 (the "**Interim Financial Statements**"), together with the notes to the relevant published financial statements which are of major relevance to the appreciation of the above financial information.

The 2021 Financial Statements are set out on pages 73 to 143 of the annual report of the Company for the year ended 31 December 2021, please refer to a direct link thereto as follows:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0404/2022040400851.pdf>

The 2022 Financial Statements are set out on pages 73 to 140 of the annual report of the Company for the year ended 31 December 2022, please refer to a direct link thereto as follows:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0331/2023033101453.pdf>

The 2023 Financial Statements are set out on pages 76 to 148 of the annual report of the Company for the year ended 31 December 2023, please refer to a direct link thereto as follows:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0410/2024041000308.pdf>

The Interim Financial Statements are set out on pages 22 to 38 of the interim report of the Company for the six months ended 30 June 2024, please refer to a direct link thereto as follows:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0821/2024082100349.pdf>

The 2021 Financial Statements, the 2022 Financial Statements, the 2023 Financial Statements and the Interim Financial Statements (but not any other part of the respective annual report and interim report) are incorporated by reference into this Scheme Document and form part of this Scheme Document.

3. FINANCIAL SUMMARY OF THE COMPANY

Statement of profit or loss of the Company

The following is a summary of (i) the audited financial results of the Company for each of the three financial years ended 31 December 2021, 2022 and 2023; and (ii) the unaudited financial results of the Company for the six months ended 30 June 2023 and 2024.

	Year ended 31 December			Six months ended 30 June	
	2021	2022	2023	2023	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue	-	-	-	-	-
Purchases	-	-	-	-	-
Staff costs	(4,789)	(4,957)	(5,967)	(2,674)	(2,775)
Depreciation	(1,395)	(1,197)	(1,132)	(566)	(566)
Other income	2,197	7,837	2,356	-	8
Other gains and losses	88,978	(9,098)	(3,144)	2,549	1,632
Other operating expenses	(20,666)	(9,493)	(33,530)	(1,596)	(3,319)
Finance income, net	17,833	17,072	16,062	147	38
Profit/(loss) before tax	82,158	164	(25,355)	(2,140)	(4,982)
Income tax expenses	-	-	-	-	-
Profit/(loss) for the year/ period	82,158	164	(25,355)	(2,140)	(4,982)

Statement of financial position for the Company

The following is a summary of (i) the audited financial statements of the Company as at 31 December 2021, 2022 and 2023; and (ii) the unaudited financial statements of the Company as at 30 June 2024.

	As at 31 December			As at 30
	2021	2022	2023	June
	HK\$'000	HK\$'000	HK\$'000	2024
				HK\$'000
Non-current assets				
Right-of-use assets	349	2,546	1,415	849
Intangible assets	7,096	7,096	7,096	7,096
Investments in subsidiaries	298,960	298,960	298,960	298,960
	306,405	308,602	307,471	306,905
Current assets				
Loan receivables	–	4,364	–	–
Prepayments, deposits and other receivables	855	758	588	487
Amounts due from subsidiaries	274,295	260,118	232,659	219,896
Cash and cash equivalents	3,824	2,587	6,513	9,482
	278,974	267,827	239,760	229,865
Current liabilities				
Accruals and other payables	13,880	12,668	12,636	11,917
Amounts due to subsidiaries	174,474	165,724	162,993	159,277
Lease liabilities	381	1,125	1,151	871
Current tax liabilities	17,061	15,722	15,295	15,295
	205,796	195,239	192,075	187,360
Net current assets	73,178	72,588	47,685	42,505
Total assets less current liabilities	379,583	381,190	355,156	349,410
Non-current liabilities				
Other payables	–	–	472	–
Lease liabilities	–	1,443	292	–
	–	1,443	764	–
NET ASSETS	379,583	379,747	354,392	349,410
Capital and reserve				
Share capital	1,174,378	1,174,378	1,174,378	1,174,378
Accumulated losses	(794,795)	(794,631)	(819,986)	(824,968)
TOTAL EQUITY	379,583	379,747	354,392	349,410

4. INDEBTEDNESS

Borrowings

As at the close of business on 30 September 2024, being the latest practicable date for the purpose of this statement of indebtedness of the Group prior to the despatch of this Scheme Document, the Group had lease liabilities of approximately HK\$1,908,000.

Save as aforesaid and apart from intra-group liabilities, and normal trade and other payables, the Group did not, as at 30 September 2024, have any material outstanding (i) debt securities, whether issued and outstanding, authorised or otherwise created but unissued, or term loans, whether guaranteed, unguaranteed, secured (whether the security is provided by the Group or by third parties) or unsecured; (ii) other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments, whether guaranteed, unguaranteed, secured or unsecured; (iii) mortgage or charges; or (iv) guarantees or other material contingent liabilities.

5. MATERIAL CHANGE

Save as disclosed below, the Directors confirm that there had been no material changes in the financial or trading position or outlook of the Group since 31 December 2023, being the date to which the latest published audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date:

- (i) as disclosed in the Company's interim report for the six months ended 30 June 2024, the Group's total revenue increased for the six months ended 30 June 2024 as compared to that of the corresponding period in 2023, mainly attributable to the increase in income derived from the leasing of the Group's commercial building and office under its investment properties holding business;
- (ii) notwithstanding the minimal revenue generated from the Group's sales of flowers and plants business, the Group recorded an increase in overall revenue for the ten months ended 31 October 2024 as compared to that of the corresponding period in 2023, primarily attributable to the aforesaid increase in revenue generated from the Group's investment properties holding business during the period;
- (iii) the Group recorded a decrease in purchases for the ten months ended 31 October 2024 as compared to that of the corresponding period in 2023, primarily attributable to the decrease in the scale of the Group's sales of flowers and plants business as a result of the downturn in the real estate sector of the PRC, which in turn led to the decrease in demand for landscape greening and the floral market;
- (iv) the Group recorded an increase in other operating expenses for the ten months ended 31 October 2024 as compared to that of the corresponding period in 2023, mainly attributable to the legal and professional fees in relation to the Proposal;

- (v) the Group recorded an increase in other losses, net for the ten months ended 31 October 2024 as compared to that of the corresponding period in 2023, mainly attributable to the fair value losses arising from the investment properties of the Group based on the property valuation report set out in Appendix II to this Scheme Document, which was partially offset by the exchange gain and unrealised gain arisen from the Group's equity investments during the period; and
- (vi) the Group recorded a decrease in trade receivables as at 31 October 2024 as compared that of 31 December 2023, primarily attributable to the decrease in the trade receivables from the Group's sales of flowers and plants business as explained in (ii) above.

6. PROPERTY INTEREST AND ADJUSTED NET ASSET VALUE

By taking into account the effect of fair value loss attributable to owners of the Company arising from the valuation of the property interest of the Group as set out in Appendix II to this Scheme Document, set out below is the calculation of the adjusted unaudited consolidated net asset value attributable to owners of the Company:

	<i>HK\$'000</i>
Unaudited consolidated net asset value attributable to owners of the Company as at 30 June 2024	737,879
Adjustment:	
Fair value loss attributable to owners of the Company arising from the valuation of the property interest of the Group as at 30 September 2024 (<i>Note 1</i>)	(7,127)
Exchange difference (<i>Note 2</i>)	4,717
Adjusted unaudited consolidated net asset value attributable to owners of the Company	735,469
Adjusted unaudited consolidated net asset value attributable to owners of the Company per Share (<i>Note 3</i>)	0.577

Notes:

- (1) The fair value loss attributable to owners of the Company is derived from the decrease of approximately HK\$10.182 million in the market value of the property interest of the Group as at 30 September 2024 (being approximately RMB259.340 million and equivalent to approximately HK\$278.531 million) as compared to its corresponding net book value as at 30 June 2024 (being approximately HK\$288.713 million), less fair value loss attributable to non-controlling interests of approximately HK\$3.055 million based on the respective property interest attributable to the Group.
- (2) The exchange difference attributable to owners of the Company is derived from the difference of the market value of the property interest of the Group as at 30 September 2024 of approximately RMB259.340 million in HK\$ derived from the exchange rate as at 30 June 2024 (being RMB1 = HK\$1.074) and the exchange rate used in Appendix II to this Scheme Document (being RMB1 = HK\$1.1), less the exchange difference attributable to non-controlling interests of approximately HK\$2.022 million based on the respective property interest attributable to the Group.
- (3) Based on 1,274,038,550 Shares in issue as at the Latest Practicable Date.

HG Appraisal & Consulting Limited

17th Floor
80 Gloucester Road
Wanchai
Hong Kong



Date: 20 December 2024

Doyen International Holdings Limited

Room 2206
Harbour Centre
No. 25 Harbour Road
Wan Chai, Hong Kong

Dear Sirs,

INSTRUCTIONS, PURPOSE & VALUATION DATE

In accordance with the instructions of Doyen International Holdings Limited (the “**Company**”) for us to value the property interest held by the Company and its subsidiaries (hereinafter referred to as the “**Group**”) in the People’s Republic of China (the “**PRC**”), we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of such property interests as at 30 September 2024 (the “**Valuation Date**”) for the purpose of incorporating into the document.

BASIS OF VALUATION

Our valuation is prepared in accordance with the HKIS Valuation Standards 2020 published by the Hong Kong Institute of Surveyors (HKIS) and the requirements set out in Chapter 5, Practice Note 12 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and Rule 11 of The Code on Takeovers and Mergers issued by the Securities and Futures Commission.

Our valuation is our opinion of the market value of the property interest which we would define market value as intended to mean “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

INDEPENDENCY OF THE VALUER

We hereby confirm that we are independent of the Company and its subsidiaries. We are not in any instances which would give rise to potential conflict of interest from us in this valuation. We confirm that we have provided objective and unbiased valuation of the properties.

VALUATION METHODOLOGY

In valuing the property interest, the Property has been valued by Income Capitalization Approach. The Income Capitalization Approach is a valuation method commonly applied for investment property. The rental income derived from the existing tenancies are capitalized for their respective unexpired terms of the contractual tenancies while vacant units are assumed to be let at their respective market rents at the date of valuation. Upon expiry of the existing tenancies, each unit is assumed to be let at its current market rent as at the Valuation Date, which is then capitalized for the remaining term of the land use rights of the property. The sum of the capitalized value of the term income, the reversionary incomes as appropriately deferred and the vacant units provides the market value of the property.

VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the owner sells the property interest on the open market in their existing states without the benefit of a deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement which would serve to increase the value of the property interest. In addition, no forced sale situation in any manner is assumed in our valuation.

We have not caused title searches to be made for the property interest at the relevant government bureau in the PRC. We have been provided with certain extracts of title documents relating to the property interest in the PRC. However, we have not inspected the original documents to verify the ownership, encumbrances or the existence of any subsequent amendments which may not appear on the copies handed to us. In undertaking our valuation for the property interest, we have relied on the legal opinion provided by the Company's PRC legal advisers, Allbright Law Offices (the "**PRC Legal Opinion**").

We have relied to a considerable extent on information provided by the Company and have accepted advice given to us by the Company on such matters as planning approvals or statutory notices, easements, tenure, occupation, lettings, site and floor areas and in the identification of the property and other relevant matter. We have also been advised by the Company that no material facts had been concealed or omitted in the information provided to us. All documents have been used for reference only.

All dimensions, measurements and areas included in the valuation certificate are based on information contained in the documents provided to us by the Company and are approximations only. No on-site measurement has been taken.

We have inspected the exterior and, where possible, the interior of the property. However, we have not carried out a structural survey nor have we inspected woodwork or other parts of the structures which are covered, unexposed or inaccessible and we are therefore unable to report that any such parts of the property is free from defect. No tests were carried out on any of the services.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property interest nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interest is free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

For the purpose of compliance with Rule 11.3 of The Code on Takeovers and Mergers, as advised by the Group, the potential tax liabilities which may arise from the sale of the properties in the PRC, will comprise (a) Stamp duty (0.05% on the transaction amount), (b) Corporate Income Tax (standard rate of 25%), (c) Land Appreciation Tax (progressive rates from 30% to 60%), (d) other surcharge at approximately 12% of value-added tax. The precise tax implication for the sale of properties will be subject to prevailing rules and regulations at the time of disposal.

As the Group has no intention to dispose of or transfer the relevant property interests, the likelihood of any potential tax liability of the properties being crystalized is remote.

CURRENCY

Unless otherwise stated, all money amounts stated are in Renminbi (“**RMB**”). The exchange rate used in valuing the property in the PRC as at 30 September 2024 was RMB1=HK\$1.1. There has been no significant fluctuation in the exchange rate for RMB against Hong Kong Dollars between that date and the date of this letter.

We enclose herewith the summary of values and valuation certificates.

Yours faithfully,
For and on behalf of
HG Appraisal & Consulting Limited
Raymond Ho Kai Kwong
Registered Professional Surveyor (GP)
MRICS MHKIS MSc(e-com)
China Real Estate Appraiser
Managing Director

Note: Mr. Raymond Ho Kai Kwong, Chartered Surveyor, MRICS MHKIS MSc(e-com), has over thirty three years’ experiences in undertaking valuations of properties in Hong Kong and has over twenty eight years’ experiences in valuations of properties in the PRC.

SUMMARY OF VALUES

Property interests held by the Group as investment properties in the PRC

Property	Market Value in existing state as at 30 September 2024	Interest attributable to the Group	Market Value in existing state attributable to the Group as at 30 September 2024
1. “Dong Dong Mall” located at No. 2 Second Lane, Nanping East Road, Nanan District, Chongqing City, the PRC.	RMB240,000,000 (equivalent to approximately HK\$264,000,000)	70%	RMB168,000,000 (equivalent to approximately HK\$184,800,000)
2. Rooms No. 1 and No. 2, 4th Floor, Unit 1, Building 6, No. 399 West Section of Fucheng Avenue, High-tech Zone, Chengdu City, Sichuan Province, the PRC.	RMB19,340,000 (equivalent to approximately HK\$21,270,000)	77.5%	RMB14,988,000 (equivalent to approximately HK\$16,486,000)
TOTAL:	RMB259,340,000 (equivalent to approximately HK\$285,270,000)		RMB182,988,000 (equivalent to approximately HK\$201,286,000)

VALUATION CERTIFICATE

Property interests held by the Group as investment properties in the PRC

1. Property	Description and Tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2024	Interest attributable to the Group
“Dong Dong Mall” located at No. 2 Second Lane, Nanping East Road, Nanan District, Chongqing City, The PRC	The Property is a 6-storey Shopping Mall (including 3 basement levels) completed in 2010. The total gross floor area (“GFA”) of the Property is approximately 18,043.45 sq.m. The land use rights of the Property have been granted for a term of 40 years expiring in November 2047.	As per the information provided by the Group, the Property was subject to various tenancies with the latest term being expired on 31 December 2033 for commercial uses.	RMB240,000,000 (equivalent to approximately HK\$264,000,000)	70% Market Value in existing state attributable to the Group as at 30 September 2024 RMB168,000,000 (equivalent to approximately HK\$184,800,000)

Notes:

- Pursuant to the information provided by the Group, the land use rights and the building ownership rights of the Property are held by Chongqing Baoxu Commercial Property Management Limited (重慶寶旭商業管理有限公司) (“Chongqing Baoxu”) (non-wholly owned subsidiary of the Company). Details of the Real Estate Ownership Certificates are listed as follows:

No.	Real Estate Ownership Certificate Nos.	Floor Level	GFA (sq.m.)
1	106 Fang Di Zheng 2012 Zi Di No. 25470	-3	134.67
2	106 Fang Di Zheng 2012 Zi Di No. 25647	-3	125.74
3	106 Fang Di Zheng 2012 Zi Di No. 25668	-3	199.84
4	106 Fang Di Zheng 2012 Zi Di No. 25673	-2	64.51
5	106 Fang Di Zheng 2012 Zi Di No. 25685	-2	134.67
6	106 Fang Di Zheng 2012 Zi Di No. 25717	-2	125.74
7	106 Fang Di Zheng 2012 Zi Di No. 25733	-2	199.84
8	106 Fang Di Zheng 2012 Zi Di No. 25749	-1	596.3
9	106 Fang Di Zheng 2012 Zi Di No. 25757	-1	76.73
10	106 Fang Di Zheng 2012 Zi Di No. 25765	-1	323.7
11	106 Fang Di Zheng 2012 Zi Di No. 25785	1	984.03
12	106 Fang Di Zheng 2012 Zi Di No. 25791	1	66.77
13	106 Fang Di Zheng 2012 Zi Di No. 25796	1	82.05
14	106 Fang Di Zheng 2012 Zi Di No. 25807	1	139.62
15	106 Fang Di Zheng 2012 Zi Di No. 25820	1	249.37
16	106 Fang Di Zheng 2012 Zi Di No. 25823	1	87.83
17	106 Fang Di Zheng 2012 Zi Di No. 25835	1	41.46

No.	Real Estate Ownership Certificate Nos.	Floor Level	GFA (sq.m.)
18	106 Fang Di Zheng 2012 Zi Di No. 25839	1	102.81
19	106 Fang Di Zheng 2012 Zi Di No. 25863	1	233.35
20	106 Fang Di Zheng 2012 Zi Di No. 25866	1	248.59
21	106 Fang Di Zheng 2012 Zi Di No. 25870	1	91.93
22	106 Fang Di Zheng 2012 Zi Di No. 25872	1	89.69
23	106 Fang Di Zheng 2012 Zi Di No. 25876	1	132.1
24	106 Fang Di Zheng 2012 Zi Di No. 25879	1	69.01
25	106 Fang Di Zheng 2012 Zi Di No. 25888	1	59.2
26	106 Fang Di Zheng 2012 Zi Di No. 25891	1	489.51
27	106 Fang Di Zheng 2012 Zi Di No. 25895	1	871.1
28	106 Fang Di Zheng 2012 Zi Di No. 25901	1	114.79
29	106 Fang Di Zheng 2012 Zi Di No. 25919	1	205.21
30	106 Fang Di Zheng 2012 Zi Di No. 25931	1	74.43
31	106 Fang Di Zheng 2012 Zi Di No. 25943	1	426.84
32	106 Fang Di Zheng 2012 Zi Di No. 25946	1	206.98
33	106 Fang Di Zheng 2012 Zi Di No. 25953	1	254.86
34	106 Fang Di Zheng 2012 Zi Di No. 25958	1	165.23
35	106 Fang Di Zheng 2012 Zi Di No. 25972	1	22.54
36	106 Fang Di Zheng 2012 Zi Di No. 25978	1	77.71
37	106 Fang Di Zheng 2012 Zi Di No. 26000	1	102.22
38	106 Fang Di Zheng 2012 Zi Di No. 26015	2	1033.08
39	106 Fang Di Zheng 2012 Zi Di No. 26030	2	364.97
40	106 Fang Di Zheng 2012 Zi Di No. 26041	2	374.45
41	106 Fang Di Zheng 2012 Zi Di No. 26060	2	58.69
42	106 Fang Di Zheng 2012 Zi Di No. 26061	2	111.57
43	106 Fang Di Zheng 2012 Zi Di No. 26064	2	310.1
44	106 Fang Di Zheng 2012 Zi Di No. 26065	2	41.2
45	106 Fang Di Zheng 2012 Zi Di No. 26069	2	42.76
46	106 Fang Di Zheng 2012 Zi Di No. 26070	2	91.93
47	106 Fang Di Zheng 2012 Zi Di No. 26071	2	91.93
48	106 Fang Di Zheng 2012 Zi Di No. 26072	2	119.91
49	106 Fang Di Zheng 2012 Zi Di No. 26075	2	793.63
50	106 Fang Di Zheng 2012 Zi Di No. 26080	2	872.44
51	106 Fang Di Zheng 2012 Zi Di No. 26089	2	1087.15
52	106 Fang Di Zheng 2012 Zi Di No. 26097	2	235.56
53	106 Fang Di Zheng 2012 Zi Di No. 26101	2	337.92
54	106 Fang Di Zheng 2012 Zi Di No. 26114	3	1041.69
55	106 Fang Di Zheng 2012 Zi Di No. 26121	3	487.07
56	106 Fang Di Zheng 2012 Zi Di No. 26132	3	375.16
57	106 Fang Di Zheng 2012 Zi Di No. 26153	3	490.63
58	106 Fang Di Zheng 2012 Zi Di No. 26158	3	789.49
59	106 Fang Di Zheng 2012 Zi Di No. 26163	3	876.73
60	106 Fang Di Zheng 2012 Zi Di No. 26171	3	344.42

2. As provided by the Group, the Property was subject to various tenancy agreements as at the valuation date, which were entered into between Chongqing Baoxu (“Lessor”) and various independent third parties (“Lessees”). Details of the tenancy agreements are listed as follows:

No.	Area	Floor	Unit	Gross Lettable Area (sq.m.)	Status	Lease Term (From)	Lease Term (To)	Current (202409) Monthly Rent (RMB)
1	A	B3	01	134.67	leased	2023/8/1	2025/7/31	4,174.36
2	A	B3	02	125.74	leased	2023/8/1	2025/7/31	3,897.92
3	A	B3	03A	131.62	leased	2023/8/1	2025/7/31	4,080.72
4	A	B2	01	87.72	leased	2023/7/1	2025/6/30	11,360.00
5	A	B2	02A	92.06	leased	2022/11/1	2027/10/31	9,049.00
6	A	B2	02B	40.91	leased	2024/5/15	2026/5/31	6,955.00
7	A	B2	03	79.67	leased	2024/2/1	2026/1/31	12,516.00
8	A	B2	04	82.81	leased	2024/8/1	2027/7/31	6,646.00
9	A	B2	05	40.69	leased	2024/4/1	2025/3/31	7,538.00
10	A	B2	06	104.16	leased	2024/1/1	2025/12/31	2,083.00
11	A	B2	07	98.73	vacant			–
12	A	B1	01	546.44	leased	2022/8/1	2024/12/31	15,426.00
13	A	B1	02	105.32	leased	2024/7/1	2026/6/30	2,106.00
14	A	B1	03	73.71	leased	2022/7/1	2025/2/28	12,105.00
15	A	B1	04	15.00	leased	2022/7/1	2025/2/28	2,463.00
16	A	B1	05A	137.62	leased	2023/11/1	2033/12/31	5,469.66
17	A	B1	05	46.98	leased	2023/11/1	2033/12/31	1,867.20
18	A	B1	06	57.00	leased	2023/9/1	2025/6/5	8,169.79
19	A	B1	07	123.80	leased	2023/9/1	2025/6/5	7,137.21
20	A	B1	08	384.61	leased	2023/4/1	2029/3/31	16,923.00
21	A	B1	09	258.55	leased	2022/7/1	2025/1/31	70,507.00
22	A	B1	10	96.23	leased	2023/7/1	2026/6/30	8,469.00
23	A	B1	11	89.47	leased	2023/8/16	2027/8/31	3,041.68
24	A	B1	12	100.24	leased	2023/8/16	2027/8/31	3,407.82
25	A	B1	13	64.60	leased	2023/5/1	2026/4/30	3,152.44
26	A	B1	14	108.23	leased	2023/5/1	2026/4/30	5,281.56
27	A	B1	15	14.00	leased	2023/6/1	2025/5/31	2,926.00
28	A	B1	16	4.96	leased	2023/1/1	2024/12/31	143.84
29	A	L1	01	41.46	leased	2022/7/1	2026/11/30	5,700.96
30	A	L1	02A	31.01	leased	2022/7/1	2026/11/30	4,264.04
31	A	L1	02B	56.82	leased	2022/7/1	2026/3/31	3,630.72
32	A	L1	03	249.29	leased	2022/7/1	2026/3/31	15,929.28
33	A	L1	04	139.62	leased	2023/6/1	2027/5/31	3,490.50
34	A	L1	05	155.82	leased	2023/6/1	2027/5/31	3,895.50
35	A	L1	06	82.05	leased	2023/5/1	2025/4/30	1,641.05
36	A	L1	07A	582.06	leased	2023/5/1	2025/4/30	11,641.53
37	A	L1	07B	41.37	leased	2023/5/1	2025/4/30	827.42
38	A	L1	07C	279.29	leased	2024/3/1	2025/2/28	14,802.00
39	A	L1	08	102.22	vacant			–
40	A	L1	09	78.69	leased	2022/7/1	2024/9/30	6,543.64
41	A	L1	10	22.54	leased	2022/7/1	2024/9/30	1,874.36
42	B	L1	01	55.42	leased	2023/10/1	2027/8/31	1,385.61
43	B	L1	02	65.13	leased	2023/2/20	2026/5/31	4,004.00
44	B	L1	03	49.75	vacant			–
45	B	L1	04	47.28	leased	2023/11/1	2024/10/31	2,979.00
46	B	L1	05	59.63	leased	2022/10/20	2025/12/31	3,569.00
47	B	L1	06A	62.21	vacant			–
48	B	L1	06B	123.98	leased	2022/7/21	2025/8/31	6,199.00
49	B	L1	07A	12.00	vacant			–
50	B	L1	07B	119.26	vacant			–

APPENDIX II

PROPERTY VALUATION REPORT

No.	Area	Floor	Unit	Gross Lettable Area (sq.m.)	Status	Lease Term (From)	Lease Term (To)	Current (202409) Monthly Rent (RMB)
51	B	L1	08A	73.19	vacant			-
52	B	L1	08B	35.35	vacant			-
53	B	L1	09A	97.93	leased	2023/9/1	2026/8/31	5,137.00
54	B	L1	09B	11.80	leased	2024/3/1	2026/2/28	2,454.00
55	B	L1	10B	86.05	leased	2022/7/1	2026/6/30	8,538.74
56	B	L1	10A	86.19	vacant			-
57	B	L1	11	312.43	vacant			-
58	B	L1	12A	374.18	leased	2023/4/20	2028/4/30	6,734.87
59	B	L1	12B	34.62	leased	2023/4/20	2028/4/30	623.13
60	B	L1	13	32.79	vacant			-
61	B	L1	14	26.51	leased	2023/3/1	2025/2/28	2,386.00
62	B	L1	15	20.25	leased	2022/11/1	2024/9/30	1,731.00
63	B	L1	16	21.07	leased	2023/10/1	2024/9/30	2,318.00
64	B	L1	17	24.87	leased	2023/10/15	2024/10/31	2,238.00
65	B	L1	18	23.15	leased	2022/8/1	2025/7/31	1,283.01
66	B	L1	19	22.35	leased	2022/8/1	2025/7/31	2,039.99
67	B	L1	20A	24.31	leased	2023/4/1	2025/3/31	4,862.00
68	B	L1	20B	19.50	vacant			-
69	C	L1	01	272.20	leased	2023/6/16	2026/12/31	5,444.00
70	C	L1	02C	182.20	leased	2024/9/1	2028/8/31	616.00
71	C	L1	02B	128.37	vacant			-
72	C	L1	02A	808.19	leased	2023/7/5	2029/5/31	12,931.00
73	C	L1	03	129.30	leased	2023/10/1	2027/8/31	3,232.75
74	C	L1	04	79.10	leased	2023/10/1	2027/8/31	1,977.65
75	D	L1	01	62.82	leased	2024/1/10	2025/1/31	15,893.00
76	D	L1	02	72.54	leased	2023/10/1	2026/9/30	5,339.80
77	D	L1	03	47.94	leased	2023/10/1	2026/9/30	4,901.20
78	A	L2	01A	140.19	leased	2023/6/1	2026/3/31	294.48
79	A	L2	01B	233.68	leased	2023/6/1	2026/3/31	490.87
80	A	L2	02A	264.49	leased	2023/6/1	2026/3/31	555.59
81	A	L2	02B	224.43	leased	2023/6/1	2026/3/31	471.44
82	A	L2	03A	162.34	leased	2023/6/1	2026/3/31	341.01
83	A	L2	03B	143.67	leased	2023/6/1	2026/3/31	301.79
84	A	L2	03C	603.17	leased	2023/6/1	2026/3/31	1,267.03
85	A	L2	04A	162.00	leased	2022/7/1	2026/8/31	4,536.00
86	A	L2	04B	164.62	leased	2023/6/1	2026/3/31	345.80
87	B	L2	01	42.71	leased	2022/11/1	2025/10/31	1,795.92
88	B	L2	02A	27.29	leased	2022/11/1	2025/10/31	1,144.08
89	B	L2	03A	167.04	leased	2023/9/1	2025/7/31	7,014.48
90	B	L2	03B	156.97	leased	2023/10/1	2024/9/30	3,611.00
91	B	L2	04	111.57	leased	2023/9/1	2025/7/31	4,687.52
92	B	L2	05	58.69	leased	2023/3/16	2025/3/15	-
93	B	L2	06	235.56	vacant			-
94	B	L2	07A	372.68	vacant			-
95	B	L2	07B	244.61	leased	2023/1/1	2024/12/31	5,381.48
96	B	L2	07C	244.61	leased	2023/1/1	2024/12/31	5,381.48
97	B	L2	07D	244.63	leased	2023/1/1	2024/12/31	5,381.92
98	C	L2	01	554.33	leased	2022/10/1	2025/5/31	15,732.00
99	C	L2	02A	461.54	vacant			-
100	C	L2	02B	403.00	leased	2023/1/1	2024/12/31	8,866.11
101	C	L2	03	170.08	leased	2024/5/1	2026/4/30	3,912.02
102	C	L2	04	91.93	leased	2024/5/1	2026/4/30	2,114.49
103	C	L2	05	91.93	leased	2024/5/1	2026/4/30	2,114.49
104	A	L3	01	344.42	leased	2023/1/1	2024/12/31	9,988.29

No.	Area	Floor	Unit	Gross Lettable Area (sq.m.)	Status	Lease Term (From)	Lease Term (To)	Current (202409) Monthly Rent (RMB)
105	A	L3	02	375.16	leased	2023/1/1	2024/12/31	10,879.76
106	A	L3	03	479.86	leased	2023/1/1	2024/12/31	13,916.10
107	A	L3	04A	401.77	vacant			–
108	A	L3	04B	605.40	leased	2022/7/1	2024/12/31	13,525.00
109	C	L3	01	789.43	vacant			–
110	C	L3	02	924.84	vacant			–
111	C	L3	03	490.59	vacant			–
Total				<u>19,000.87</u>				<u>544,005.10</u>

3. The PRC Legal Opinion states, inter alia, the following:
- (1) The Company and its subsidiaries legally own the land use rights and property ownership of their properties within the PRC in accordance with the PRC laws. The above-mentioned rights holders are the legitimate owners of such properties and have the right to occupy, use, lease, transfer, and mortgage them for the purposes specified in the corresponding real estate ownership certificates.
 - (2) As of the date of issuance of this legal opinion, there are no third-party encumbrances such as mortgages or seals on the properties owned by the Company and its subsidiaries within the PRC.
 - (3) As of the date of issuance of this legal opinion, there are no lawsuits, arbitrations, or other legal disputes related to the properties owned by the Company and its subsidiaries within the PRC.
4. The status of title and grant of major approvals and permits in accordance with the PRC Legal Opinion and information provided by the Company are as follows:
- (i) Real Estate Title Ownership Certificate Yes
 - (ii) Real Estate Lease Agreement Yes
5. In the course of our valuation, we have made the following assumptions:
- (i) Chongqing Baoxu legally owns the land use rights and buildings ownership rights of the Property.
 - (ii) The design and construction of the development are in compliance with the local planning and building regulations and have been approved by the relevant authorities.
 - (iii) Chongqing Baoxu has a proper legal title to the Property and is entitled to occupy, transfer, dispose, lease out or deal with the Property with the granted residual term of its land use rights.
 - (iv) As informed by Chongqing Baoxu, the tenancy agreements have not been registered in the relevant authorities. We have assumed that the tenancy agreements are legally valid, effective and enforceable.
 - (v) According to the tenancy agreements provided, the total rentable area extracted from the said agreements as at valuation date is about 19,000.87 sq.m. In the course of our valuation, we have assumed the tenancy agreements are legally valid, effective and enforceable.

- | 6. Valuation technique | Inputs | Weighted average |
|--------------------------------|--|--|
| Income Capitalization Approach | Estimated monthly market rental value per square metre | RMB38 to 258 (equivalent to approximate HK\$42 to 284) |
| | Capitalization rate | 6.0% |
7. The property was inspected by Senior Valuer, Mrs. Zhu Yunyu, (Diploma of Real Estate Operation and Management with 18 years' experience of property valuation in the PRC) on 23 September, 2024.

2. Property	Description and Tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2024	Interest attributable to the Group
Rooms no.1 and no.2, 4th Floor, Unit 1, Building 6, No. 399 West Section of Fucheng Avenue, High-tech Zone, Chengdu City, Sichuan Province, The PRC	<p>The Property comprises two office units located in a 17-storey building completed in 2013.</p> <p>The total gross floor area (“GFA”) of the Property is approximately 2,412.69 sq.m.</p> <p>The land use rights of the Property have been granted for a term expiring in 17 May 2056.</p>	As per the information provided by the Group, the Property was subject to various tenancies with the latest term being expired on 30 June 2033 for office uses.	RMB19,340,000 (equivalent to approximately HK\$21,270,000)	77.5%
				Market Value in existing state attributable to the Group as at 30 September 2024 RMB14,988,000 (equivalent to approximately HK\$16,486,000)

Notes:

- Pursuant to a Chengdu Stock Building Sale and Purchase Contract dated 25 April, 2023, Sanya Qingshi Industrial Co. Ltd. (三亞清石實業有限公司) (“Sanya Qingshi”) (non-wholly owned subsidiary of the Company) acquired Rooms no. 1 and no. 2, 4th Floor, Unit 1, Building 6, No. 399 West Section of Fucheng Avenue, High-tech Zone, Chengdu City at the consideration of RMB19,000,000.
- Pursuant to the information provided by the Group, the land use rights and the building ownership rights of the Property are held by Sanya Qingshi. Details of the Real Estate Ownership Certificates are listed as follows:

No.	Real Estate Ownership Certificate Nos.	Unit	GFA (sq.m.)
1	Chuan (2023) Cheng Du Shi Bu Dong Chan Quan No. 0176791	401	1437.93
2	Chuan (2023) Cheng Du Shi Bu Dong Chan Quan No. 0177533	402	974.76
		Total	<u>2412.69</u>

- As provided by the Group, the Property was subject to various tenancy agreements as at the valuation date, which were entered into between Sanya Qingshi (“Lessor”) and various independent third parties (“Lessees”). Details of the tenancy agreements are listed as follows:

No.	Unit	GFA (sq.m.)	Status	Lease Term (From)	Lease Term (To)	Current Monthly Rent (RMB)
1	財學堂教育文化傳媒成都有限公司	1,612.69	leased	2023/6/1	2033/6/30	88,697.95
2	先生科技有限公司	200.00	leased	2023/6/1	2033/6/30	11,000.00
3	成都市德迅數字傳媒有限公司	600.00	leased	2023/6/1	2033/6/30	33,000.00
	Total	<u>2,412.69</u>				<u>132,697.95</u>

1. RESPONSIBILITY STATEMENTS

This Scheme Document includes particulars given in compliance with the Takeovers Code for the purpose of providing information in relation to the Proposal, the Scheme, the Offeror and the Group.

Mr. Lo Siu Yu, an executive Director, accepts full responsibility for the accuracy of the information contained in this Scheme Document (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 Scheme Document (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 Scheme Document the omission of which would make any statement in this Scheme Document misleading.

Mr. Cho Chun Wai, an executive Director, accepts full responsibility for the accuracy of the information contained in this Scheme Document (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 Scheme Document (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 Scheme Document the omission of which would make any statement in this Scheme Document 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 Scheme Document (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 Scheme Document (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 Scheme Document the omission of which would make any statement in this Scheme Document misleading.

The sole director of Galaxy Bond accepts full responsibility for the accuracy of the information contained in this Scheme Document (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 Scheme Document (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 Scheme Document the omission of which would make any statement in this Scheme Document misleading.

2. SHARE CAPITAL OF THE COMPANY

As at the Latest Practicable Date:

- (a) the Company had 1,274,038,500 Shares in issue;
- (b) all of the Shares currently in issue rank *pari passu* in all respects including as to rights to capital, dividends and voting;
- (c) no new Shares has been issued by the Company since 31 December 2023 (being the end of the last financial year of the Company); and
- (d) the Company does not have any outstanding convertible securities, warrants, options or derivatives or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in issue which may confer any rights to subscribe for, convert or exchange into Shares and has not entered into any agreement for the issue of such warrants, options, derivatives or securities which are convertible or exchangeable into Shares.

As at the Latest Practicable Date, the Shares are listed and traded on the Main Board of the Stock Exchange. None of the Shares is listed, or dealt in, on other stock exchanges nor is any listing of or permission to deal in the Shares being, or proposed to be, sought on any other stock exchange.

3. MARKET PRICE

The table below sets out the closing prices of the Shares as quoted on the Stock Exchange on (i) the Latest Practicable Date; (ii) on the Last Trading Day (i.e. 23 August 2024); and (iii) on the last Business Day on each of the calendar months during the Relevant Period:

Date	Closing price of Shares (HK\$)
28 March 2024	0.118
30 April 2024	0.085
31 May 2024	0.180
28 June 2024	0.185
31 July 2024	0.194
23 August 2024 (i.e. the Last Trading Day)	0.196
30 August 2024	N/A ^{Note}
30 September 2024	0.335
31 October 2024	0.340
29 November 2024	0.340
17 December 2024 (i.e. the Latest Practicable Date)	0.335

Note: Trading of Shares were temporarily halted on the Stock Exchange pending the release of the Announcement.

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the Relevant Period were HK\$0.345 per Share on 23, 24, 25 and 28 October 2024 and HK\$0.074 per Share on 17 April 2024, respectively.

The Cancellation Price of HK\$0.350 per Scheme Share represents a premium of approximately 78.57% over the closing price of HK\$0.196 per Share as quoted on the Stock Exchange on the Last Trading Day.

The Cancellation Price of HK\$0.350 per Scheme Share represents a premium of approximately 4.48% over the closing price of HK\$0.335 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

4. DISCLOSURE OF INTERESTS

For the purpose of this paragraph 4 in this Appendix III to this Scheme Document, “interested” has the same meaning as ascribed to that term in Part XV of the SFO.

Directors’ interests and chief executive’s interests

As at the Latest Practicable Date, the interests or short positions of each Directors and the chief executive of the Company in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered into the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules (the “**Model Code**”), to be notified to the Company and the Stock Exchange; or (d) to be disclosed in this Scheme Document pursuant to the requirements of the Takeovers Code were as follows:

Directors’ and chief executive’s interests and short positions in the Shares and underlying Shares

Name of Director	Capacity	Number of Shares interested or held ⁽¹⁾	Approximate percentage of interest in the issued Shares
Mr. Lo	Beneficial owner ⁽²⁾	25,000,000(L)	1.96%
	Interest of controlled corporation ⁽³⁾	760,373,018(L)	59.68%
Mr. Cho Chun Wai	Beneficial owner	10,000(L)	0.00%

Notes:

- (1) The letter “L” denotes the Directors’ long position in the Shares and underlying shares of the Company.
- (2) As at the Latest Practicable Date, such interests were held jointly with Ms. Chiu, the spouse of Mr. Lo.
- (3) As at the Latest Practicable Date, 670,373,018 Shares were held by Money Success, a company wholly-owned by Wealthy In Investments Limited, which is in turn wholly-owned by Mr. Lo. 60,000,000 Shares were held by Sino Consult and 30,000,000 Shares were held by Full Brilliant, both companies of which are wholly-owned by Money Success.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and the chief executive of the Company had any interests or short positions in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered into the register referred to therein; or (c) pursuant to the Model Code, to be notified to the Company and the Stock Exchange; or (d) to be disclosed in this Scheme Document pursuant to the requirements of the Takeovers Code.

Substantial Shareholders’ interests

As at the Latest Practicable Date, so far as was known to the Directors or the chief executive of the Company, the following persons (other than a Director or chief executive of the Company) who had interest or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of the SFO, or, who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or in any options in respect of such capital, were as follows:

Name of Shareholder	Capacity	Number of Shares interested or held ⁽¹⁾	Approximate percentage of interest in the issued Shares
Galaxy Bond	Person having a security interest in shares ⁽²⁾	785,373,018 (L)	61.64%
Mr. Xue	Interest of controlled corporation ⁽²⁾	785,373,018 (L)	61.64%
	Beneficial owner	108,000,000(L)	8.48%
Ms. Chiu	Beneficial owner ⁽²⁾	25,000,000(L)	1.96%

Name of Shareholder	Capacity	Number of Shares interested or held ⁽¹⁾	Approximate percentage of interest in the issued Shares
Money Success	Beneficial owner ^{(2) (3)}	760,373,018(L)	52.62%
	Interest of controlled corporation ⁽³⁾	90,000,000(L)	7.06%
Full Brilliant	Beneficial owner ^{(2) (3)}	30,000,000(L)	2.35%
Sino Consult	Beneficial owner ^{(2) (3)}	60,000,000(L)	4.71%
Baoli International ⁽⁶⁾	Beneficial owner ⁽⁴⁾	140,000,000(L)	10.99%
Jiangsu Huaxi Group Co. Ltd. ⁽⁶⁾	Interest of controlled corporation ⁽⁴⁾	140,000,000(L)	10.99%
Jin Hua ⁽⁶⁾	Beneficial owner ⁽⁵⁾	70,000,000(L)	5.49%
Mr. You Tao ⁽⁶⁾	Interest of controlled corporation ⁽⁵⁾	70,000,000(L)	5.49%

Notes:

- (1) The letter “L” denotes the Directors’ long position in the Shares and underlying shares of the Company.
- (2) As at the Latest Practicable Date, Galaxy Bond has security interests over 785,373,018 Shares held by each of Money Success, Full Brilliant, Sino Consult and jointly by Mr. Lo and Ms. Chiu. Galaxy Bond is wholly-owned by Mr. Xue.
- (3) As at the Latest Practicable Date, each of Full Brilliant and Sino Consult are wholly owned by Money Success, which is in turn wholly owned by Mr. Lo.
- (4) As at the Latest Practicable Date, Baoli International was wholly owned by Jiangyin Huaxi Steel Co., Ltd, which was in turn held as to 75% by Jiangsu Huaxi Group Co. Ltd..
- (5) As at the Latest Practicable Date, Hong Kong Jin Hua Jun Chang Industrial Limited was owned as to 40% Mr. You Tao, 30% by Ms. Sun Fangli and 30% by Mr. You Tailong.
- (6) Each of Baoli International, Jiangsu Huaxi Group Co. Ltd., Jin Hua and Mr. You Tao are independent from, and not acting in concert with, Galaxy Bond (i.e. the Offeror) or Mr. Xue (i.e. the sole director and shareholder of Galaxy Bond).

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors or chief executive of the Company, no person (other than a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which would fall to be disclosed under the Takeovers Code or provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or in any options in respect of such capital.

Other disclosures

As at the Latest Practicable Date:

- (a) save for (i) the 108,000,000 Shares (representing approximately 8.48% of the total issued share capital of the Company) beneficially owned by Mr. Xue (one of the Offeror Concert Parties); (ii) the 785,373,018 Shares (representing approximately 61.64% of the total issued share capital of the Company) that Galaxy Bond has security interests over (which is beneficially owned by Money Success, Full Brilliant, Sino Consult, Mr. Lo or Ms. Chiu); and (iii) 10,000 Shares (representing a negligible percentage of the total issued share capital of the Company) beneficially owned by Mr. Cho Chun Wai, neither the Offeror nor any Offeror Concert Party owned or had control or direction over any voting rights or rights over the Shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities in the Company, or hold any relevant securities in the Company;
- (b) save for (i) the 108,000,000 Shares (representing approximately 8.48% of the total issued share capital of the Company) beneficially owned by Mr. Xue (one of the Offeror Concert Parties); and (ii) the 785,373,018 Shares (representing approximately 61.64% of the total issued share capital of the Company) that Galaxy Bond has security interests over (which is beneficially owned by Money Success, Full Brilliant, Sino Consult, Mr. Lo or Ms. Chiu), the sole director of Galaxy Bond (i.e. Mr. Xue) was not interested in any Shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities in the Company, or hold any relevant securities in the Company;
- (c) save for the Proposal and the Scheme, there were no arrangements (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code between Galaxy Bond or the Offeror Concert Parties or associates of Galaxy Bond and any other person;
- (d) there were no Shares or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which Galaxy Bond, its ultimate beneficial owners and the Offeror Concert Parties have borrowed or lent;

- (e) no relevant securities in the Company were borrowed or lent by any of the Directors or by the Company or parties acting in concert with it;
- (f) save for the MS Irrevocable Undertakings and the Other Irrevocable Undertakings, neither Galaxy Bond nor any Offeror Concert Parties received an irrevocable commitment to vote for or against (i) the Scheme at the Court Meeting; or (ii) the special resolution to be proposed at the EGM;
- (g) save for the Cancellation Price to be (i) paid by Galaxy Bond to the Remaining Scheme Shareholders; or (ii) offset from the Debt by Galaxy Bond to the MS Shareholders, there is no consideration, compensation or benefit in whatever form paid or to be paid by Galaxy Bond, its ultimate beneficial owners or any Offeror Concert Parties to the Scheme Shareholders (or any parties acting in concert with it) in connection with the Scheme;
- (h) there was no understanding, arrangement, agreement or special deal (under Rule 25 of the Takeovers Code) between (a) any Shareholders on the one hand; and (b) the Company, its subsidiaries or associated companies on the other hand;
- (i) save for the Proposal and the Scheme, there was no understanding, arrangement, agreement or special deal (under Rule 25 of the Takeovers Code) between (a) any Shareholder on the one hand; and (b) Galaxy Bond, its ultimate beneficial owners or any Offeror Concert Parties on the other hand;
- (j) there was no agreement, arrangement or understanding (including any compensation arrangement) existing between Galaxy Bond and the Offeror Concert Parties on the one hand, and any Directors, recent Directors, Shareholders or recent Shareholders having any connection with or dependence upon the Proposal on the other hand;
- (k) there was no arrangement whereby any Director would be given any benefit as compensation for loss of office or otherwise in connection with the Proposal;
- (l) there was no agreement or arrangement existed between any Director and any other person which was conditional on or dependent upon the outcome of the Proposal or otherwise connected with the Proposal;
- (m) no material contracts had been entered into by Galaxy Bond in which any Director has a material personal interest;
- (n) there was no agreement or arrangement to which the Offeror or any of the Offeror Concert Parties was a party which relates to circumstances in which the Offeror may or may not invoke or seek to invoke a Condition; and

- (o) save for the arrangement involving the Financing, (i) there was no agreement, arrangement or understanding between the Offeror and any other person in relation to the transfer, charge or pledge of the Shares to be acquired pursuant to the Proposal; and (ii) the Offeror had no intention to transfer, charge or pledge any Shares acquired pursuant to the Proposal to any other person.

In relation to interests of Galaxy Bond, as at the Latest Practicable Date:

- (a) the Company did not hold any relevant securities in Galaxy Bond, and none of the Directors were interested in any relevant securities in Galaxy Bond; and
- (b) neither the Company nor its Directors had dealt for value in any relevant securities in Galaxy Bond during the Relevant Period.

5. DEALINGS IN THE SHARES

During the Relevant Period,

- (a) no Director had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of Shares; and
- (b) none of the Offeror, Mr. Xue (i.e. the sole director of the Offeror) and the Offeror Concert Parties had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares.

During the period commencing on 2 September 2024 (being the date of the Announcement) and ending on the Latest Practicable Date,

- (a) no subsidiary of the Company, no pension fund of the Company or of a subsidiary of the Company and no person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of “acting in concert” under the Takeovers Code or who is an associate of the Company by virtue of class (2) of the definition of “associate” under the Takeovers Code owned or controlled any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares;

- (b) save for the MS Irrevocable Undertakings and the Other Irrevocable Undertakings, there was no arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code between (i) any person; and (ii) either: (a) Galaxy Bond or any Offeror Concert Parties; or (b) the Company or any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of “acting in concert” or any person who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of “associate” under the Takeovers Code; and
- (c) no fund manager connected with the Company who managed any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares on a discretionary basis had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares.

6. INDICATION AS TO VOTING AT THE EGM

As at the Latest Practicable Date:

- (1) Mr. Lo, an executive Director; the beneficial owner of 25,000,000 Shares (jointly with Ms. Chiu) and is 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; and

- (2) Mr. Cho Chun Wai, an executive Director, the beneficial owner of 10,000 Shares,

have each indicated that they will each vote in favour of the relevant resolutions to approve the Proposal at the EGM. For the avoidance of doubt, the Shares held by each of Mr. Lo and Mr. Cho Chun Wai will not be voted at the Court Meeting.

As at the Latest Practicable Date, save for Mr. Lo and Mr. Cho Chun Wai, no Directors held any Shares.

7. DIRECTORS' SERVICE CONTRACTS AND OTHER INTERESTS

As at the Latest Practicable Date, none of the Directors had entered into any existing or proposed service contract with the Company or any of its subsidiaries or associated companies which:

- (1) (including both continuous and fixed term contracts) had been entered into or amended during the Relevant Period;
- (2) was a continuous contract with a notice period of 12 months or more; or
- (3) was a fixed term contract with more than 12 months to run irrespective of the notice period.

8. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

9. MATERIAL CONTRACTS

No contracts (not being contracts in the ordinary course of business carried on or intended to be carried on by the Company or any of its subsidiaries) had been entered into by members of the Group within the two years preceding 2 September 2024 (being the date of the Announcement) and up to and including the Latest Practicable Date and were or might be material.

10. QUALIFICATION AND CONSENT OF EXPERTS

The followings are the names and the qualifications of the professional advisers whose letters, opinions or advice are contained or referred to in this Scheme Document:

Name	Qualifications
Somerley Capital Limited	a licensed corporation to carry on type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO
Lego Corporate Finance Limited	a licensed corporation to carry on type 6 (advising on corporate finance) regulated activities under the SFO
HG Appraisal and Consulting Limited	property valuer

Each of the experts mentioned above has given and has not withdrawn its written consent to the issue of this Scheme Document with the inclusion therein of its opinion and/or letter (as the case may be) and/or the references to its name and/or its opinion and/or letter in the form and context in which they respectively appear.

As at the Latest Practicable Date, none of Somerley, the Independent Financial Adviser and HG Appraisal and Consulting Limited had any shareholding, directly or indirectly, in any member of the Group or any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

11. MISCELLANEOUS

- (1) The registered office of Galaxy Bond is located at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands.
- (2) The sole director of Galaxy Bond is Mr. Xue. The correspondence address of Galaxy Bond and Mr. Xue is Suites 802-3, 8/F, One Pacific Place, 88 Queensway, Hong Kong.
- (3) Galaxy Bond was wholly-owned by Mr. Xue. Mr. Xue is thus a principal member of the Offeror Concert Parties.
- (4) The sole director of each of Money Success, Full Brilliant and Sino Consult is Mr. Lo. The correspondence address of each of Money Success, Full Brilliant and Sino Consult (each of which is wholly-owned by Mr. Lo), Mr. Lo and Ms. Chiu (the spouse of Mr. Lo), each being a principal member of the Offeror Concert Parties, is Suite 2206, 22/F., Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong.
- (5) The registered and principal office of the Company is located at Suite 2206, 22/F., Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong.
- (6) The share registrar of the Company is Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.
- (7) The registered office of Somerley is at 20/F, China Building, 29 Queen's Road Central, Hong Kong.
- (8) The registered office of the Independent Financial Adviser is at Room 1505, 15/F, Wheelock House, 20 Pedder Street, Central, Hong Kong.
- (9) The English text of this Scheme Document and the accompanying form of proxy shall prevail over their respective Chinese texts.

HCMP No. 1653/2024

**IN THE HIGH COURT OF THE
HONG KONG SPECIAL ADMINISTRATIVE REGION
COURT OF FIRST INSTANCE
MISCELLANEOUS PROCEEDINGS NO. 1653 OF 2024**

**IN THE MATTER OF
THE COMPANIES ORDINANCE (CAP. 622)**

AND

**IN THE MATTER OF
DOYEN INTERNATIONAL HOLDINGS LIMITED**

PRELIMINARY

- i. In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the meanings respectively set out opposite to them:

“acting in concert”	has the meaning given to it in the Takeovers Code
“Announcement”	means the announcement jointly issued by the Offeror and the Company on 2 September 2024 in relation to, among others, the Proposal
“associates”	has the meaning given to it under the Takeovers Code
“Board”	means the board of Directors
“Business Day(s)”	means a day on which the Stock Exchange is open for the transaction of business
“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, pursuant to the Scheme
“Companies Ordinance”	means the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)

“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
“Court”	means the High Court of Hong Kong
“Court Meeting”	means a meeting of the Scheme Shareholders to be convened at the direction of the Court at 10:00 a.m. on Friday, 17 January 2025 at 9/F, The Center, 99 Queens’s Road Central, Central, Hong Kong at which the Scheme will be voted upon, or any adjournment thereof, notice of which is set out on pages V-1 to V-5 of the Scheme Document
“Debt”	the debt of approximately HK\$323.3 million (i.e. HK\$198 million loan principal and accrued interest) owed by Money Success to Galaxy Bond as at Latest Practicable Date. Subsequent to the Scheme being effective, the remaining outstanding amount of the debt, being approximately HK\$48.4 million, will be settled in cash
“Director(s)”	means director(s) of the Company
“Effective Date”	means the date on which the Scheme becomes effective in accordance with the Companies Ordinance
“EGM”	means an extraordinary general meeting of the Company to be convened at 10:30 a.m. on Friday, 17 January 2025 at 9/F, The Center, 99 Queens’s Road Central, Central, Hong Kong (or immediately after the conclusion of the Court Meeting) for the purpose of, among other things, approving the reduction of the share capital of the Company and implementing the Scheme, or any adjournment thereof, notice of which is set out on pages VI-1 to VI-5 of the Scheme Document
“Executive”	means the Executive Director of the Corporate Finance Division of the SFC and any delegate of the Executive Director

“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;
“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 Latest Practicable Date, and is the beneficial owner of 30,000,000 Shares, which were charged in favour of Galaxy Bond as at the Latest Practicable Date
“Galaxy Bond” or “Offeror”	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 interests in the Shares, at the Latest Practicable Date and was beneficially and wholly owned by Mr. Xue as at the Latest Practicable Date
“Group”	means the Company and its subsidiaries
“HK\$”	means Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC
“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 at the EGM

“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
“Independent Scheme Shareholder(s)”	means the Shareholder(s) (other than the Offeror and the Offeror Concert Parties)
“Latest Practicable Date”	means 17 December 2024, being the latest practicable date prior to the printing of the Scheme Document for the purpose of ascertaining certain information for inclusion in the Scheme Document
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange
“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
“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)
“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 Latest Practicable Date, and is the beneficial owner of 670,373,018 Shares, which were charged in favour of Galaxy Bond as at the Latest Practicable Date

“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 Latest Practicable Date
“Mr. Xue”	means Mr. Xue Yuewu, the beneficial owner of 108,000,000 Shares as at the Latest Practicable Date, and is the sole shareholder and director of Galaxy Bond as at the Latest Practicable Date
“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 Latest Practicable Date
“MS 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
“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 security interests over such Shares
“MS Shareholder(s)”	means holders of the MS Scheme Shares (i.e. Money Success, Sino Consult, Full Brilliant, Mr. Lo and Ms. Chiu)
“Offeror Concert Party(ies)”	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: (a) Mr. Xue, the sole beneficial owner of Galaxy Bond; (b) Mr. Lo, an executive Director and companies beneficially owned by Mr. Lo, including Money Success, Full Brilliant and Sino Consult;

- (c) Ms. Chiu, the spouse of Mr. Lo;
 - (d) Mr. Cho Chun Wai, an executive Director;
 - (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
 - (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)
- “PRC” means the People’s Republic of China, which, for the purpose of the Scheme Document, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
- “Proposal” 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 the Scheme Document
- “Record Date” means Friday, 17 January 2025, or such other date as shall be announced to the Shareholders, being the record date for the purpose of determining the entitlements of the Scheme Shareholders to attend and vote at the Court Meeting and the entitlement of the Shareholders to attend and vote at the EGM
- “Remaining Scheme Share(s)” 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))
- “Remaining Scheme Shareholders” means the holders of the Remaining Scheme Shares

“Scheme”	means this scheme of arrangement to be proposed under section 673 of the Companies Ordinance for the implementation of the Proposal
“Scheme Document”	means the composite scheme document of the Offeror and the Company dated 20 December 2024 containing, among other things, further details of the Proposal
“Scheme Record Date”	means Tuesday, 25 February 2025, or such other date as shall be announced to the Shareholders, being the record date for the purpose of determining the entitlements of the Scheme Shareholders to the Cancellation Price under the Scheme
“Scheme Share(s)”	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)
“Scheme Shareholder(s)”	means the registered holder(s) of the Scheme Share(s) as at the Record Date
“SFC”	means the Securities and Futures Commission of Hong Kong
“SFO”	means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Share(s)”	means the ordinary share(s) in the share capital of the Company
“Shareholder(s)”	means the holder(s) of the Share(s)
“Sino Consult”	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 Latest Practicable Date, and is the beneficial owner of 60,000,000 Shares, which were charged in favour of Galaxy Bond as at the Latest Practicable Date

- | | |
|------------------|--|
| “Somerley” | means Somerley Capital Limited, a licensed corporation to carry on type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, and the financial advisers to the Offeror in connection with the Proposal |
| “Somerley Group” | means Somerley and persons Controlling, Controlled by, or under the same Control as Somerley |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “subsidiaries” | has the meaning given to it in the Listing Rules |
| “Takeovers Code” | the Hong Kong Code on Takeovers and Mergers issued by the SFC |
| “%” | per cent. |
- ii. The Company was incorporated on 10 July 1990 in Hong Kong under the predecessor Companies Ordinance (Chapter 32 of the Laws of Hong Kong).
- iii. As at the Latest Practicable Date, the issued share capital of the Company comprised 1,274,038,550 Shares.
- iv. As at the Latest Practicable Date, 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 interests over, the Offeror does not legally or beneficially own, control or have direction over any Shares.
- v. As at the Latest Practicable Date, 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).
- vi. As at the Latest Practicable Date, 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). Galaxy Bond has security interests in such 785,373,018 Shares (i.e. the MS Scheme Shares).
- vii. As at the Latest Practicable Date, 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).

- viii. As at the Latest Practicable Date, 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.
- ix. Galaxy Bond, being the Offeror, is a company incorporated in the British Virgin Islands with limited liability. As at the Latest Practicable Date, Galaxy Bond was wholly-owned by Mr. Xue.
- x. The primary purpose of this Scheme is to privatise the Company by cancelling and extinguishing all of the Scheme Shares in issue on the Scheme Record Date in exchange for the payment by the Offeror to each Scheme Shareholder of the Cancellation Price of HK\$0.350 in cash for each Scheme Share cancelled and extinguished (save that pursuant to the MS Irrevocable Undertakings and Galaxy Bond's subsequent confirmation, upon the Scheme being effective, the Offeror will set-off the Debt on a dollar-for-dollar basis with the sum equivalent to the Cancellation Price of HK\$0.350 for each MS Scheme Share cancelled and extinguished), so that the Company shall thereafter be owned as to 91.52% by Galaxy Bond and as to 8.48% by Mr. Xue.
- xi. Assuming that: (a) no further Shares will be issued by the Company on or before the Scheme Record Date; and (b) there is no change in the shareholding of the Company before the Scheme becomes effective, the shareholding structure of the Company as at the Latest Practicable Date and immediately upon the Scheme becoming effective is set out below:

	As at the Latest Practicable Date		Immediately upon completion of the Proposal	
	No. of Shares	Approximate %	No. of Shares ⁶	Approximate %
<i>Offeror</i>				
Galaxy Bond ¹	-	-	1,166,038,550	91.52
Sub-total	-	-	1,166,038,550	91.52
<i>Offeror Concert Parties (the Shares of which do not form part of the Scheme Shares)</i>				
Mr. Xue ¹	108,000,000	8.48	108,000,000	8.48
Sub-total	108,000,000	8.48	108,000,000	8.48
<i>Offeror Concert Parties (the Shares of which form part of the Scheme Shares)</i>				
Money Success ²	670,373,018	52.62	-	-
Full Brilliant ²	30,000,000	2.35	-	-
Sino Consult ²	60,000,000	4.71	-	-
Mr. Lo and Ms. Chiu ²	25,000,000	1.96	-	-
Mr. Cho Chun Wai ³	10,000	0.00	-	-
Sub-total	785,383,018	61.64	-	-
<i>Others</i>				
Independent Scheme Shareholders ⁴	380,655,532	29.88	-	-
Sub-total	380,655,532	29.88	-	-
Total number of Shares in issue	1,274,038,550	100.00	1,274,038,550	100.00
Total number of Scheme Shares⁵	1,166,038,550	91.52	-	-

Notes:

1. 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 in the sum of HK\$274,880,556.30 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 will 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 will 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 Scheme Record Date which are held or beneficially owned by the MS Shareholders; (b) the Shares in issue on the Scheme 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 Scheme 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.
- xii. As at the Latest Practicable Date, 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).
 - xiii. As at the Latest Practicable Date, the Remaining 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). Such Shares comprise: (i) the 10,000 Shares in issue 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 which are held or beneficially owned by the Independent Scheme Shareholders.
 - xiv. Immediately after the cancellation and extinguishment of the Scheme Shares in issue on the Scheme Record Date, the issued share capital of the Company will be restored to the amount immediately prior to such cancellation, extinguishment and reduction by the issue of 1,166,038,550 new Shares to Galaxy Bond by the Company (all credited as fully-paid by applying the reserve created as a result of such cancellation, extinguishment and reduction) which, in aggregate, are equal to the number of the Scheme Shares cancelled and extinguished.
 - xv. Upon the Scheme becoming effective, the entire issued share capital of the Company will be owned as to 91.52% by Galaxy Bond and as to 8.48% by Mr. Xue.
 - xvi. Galaxy Bond has agreed to undertake to the Court to be bound thereby and to execute and do and procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed and done by them for the purpose of giving effect to this Scheme.

THE SCHEME**Part I****Cancellation and extinguishment of the Scheme Shares**

1. On the Effective Date:
 - (a) the issued share capital of the Company be reduced by cancelling and extinguishing the Scheme Shares in issue on the Scheme Record Date;
 - (b) subject to and forthwith upon such reduction of share capital taking effect, the share capital of the Company be restored to its former amount by the issue of 1,166,038,550 new Shares to Galaxy Bond by the Company (all credited as fully-paid by applying the reserve created as a result of such cancellation, extinguishment and reduction) which, in aggregate, are equal to the number of the Scheme Shares cancelled and extinguished; and
 - (c) the Company shall apply the credit arising in its books of account as a result of the reduction of capital in paying up in full the new Shares to be allotted and issued, credited as fully paid, to Galaxy Bond.

Part II**Consideration for the cancellation and extinguishment of the Scheme Shares**

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

Part III**General**

3. (a) As soon as possible but in any event within seven (7) Business Days following the Effective Date, Galaxy Bond shall post or cause to be posted to the Remaining Scheme Shareholders cheques in respect of the sums payable to such Remaining Scheme Shareholders pursuant to paragraph 2 of this Scheme. With respect to the MS Scheme Shares, as soon as possible but in any event within seven (7) Business Days following the Effective Date, Galaxy Bond will set-off the Debt on a dollar-for-dollar basis with the sum equivalent to the Cancellation Price of HK\$0.350 for each MS Scheme Share cancelled and extinguished.

- (b) All such cheques shall be sent by ordinary post in postage pre-paid envelopes addressed to such Remaining Scheme Shareholders at their respective registered addresses as appearing in the register of members of the Company as at the Scheme Record Date, or in the case of joint holders, at the address appearing in the register of members of the Company as at the Scheme Record Date of the joint holder whose name then stands first in the register of members of the Company in respect of the relevant joint holding.
- (c) All cheques shall be made payable to the order of the person or persons to whom, in accordance with the provisions of paragraph 3(b) of this Scheme, the envelope containing the same is addressed and the encashment of any such cheque shall be good discharge to the Offeror and the Company for the moneys represented thereby.
- (d) All cheques shall be posted at the risk of the addressees and none of the Galaxy Bond, the Offeror Concert Parties, the Company, Somerley, the Independent Financial Adviser, the Company's share registrar and their respective ultimate beneficial owners, directors, officers, agents and associates and any other person involved in the Proposal or the Scheme will be responsible for any loss or delay in transmission.
- (e) On or after the day being six (6) calendar months after the posting of the cheques pursuant to paragraph 3(b) of this Scheme, Galaxy Bond shall have the right to cancel or countermand payment of any such cheque which has not been cashed or has been returned uncashed and shall place all monies represented thereby in a deposit account in Galaxy Bond's names with a licensed bank in Hong Kong selected by it. Galaxy Bond shall hold such monies until the expiry of six (6) years from the Effective Date and shall, prior to such date, make payments therefrom of the sums payable pursuant to paragraph 2 of this Scheme to persons who satisfy Galaxy Bond that they are respectively entitled thereto and the cheques referred to in paragraph 3(b) of this Scheme of which they are payees have not been cashed. Any payments made by Galaxy Bond shall not include any interest accrued on the sums to which the respective persons are entitled pursuant to paragraph 2 of this Scheme. Galaxy Bond shall exercise its absolute discretion in determining whether or not it is satisfied that any person is so entitled, and a certificate of Galaxy Bond to the effect that any particular person is so entitled or not so entitled, as the case may be, shall be conclusive and binding upon all persons claiming an interest in the relevant monies.
- (f) On the expiry of six (6) years from the Effective Date, Galaxy Bond shall be released from any further obligation to make any payments under this Scheme and Galaxy Bond shall be absolutely entitled to the balance (if any) of the sums then standing to the credit of the deposit account referred to in paragraph 3(e) of this Scheme, including accrued interest subject to any deduction required by law and expenses incurred.
- (g) The preceding sub-paragraphs of this paragraph 3 shall take effect subject to any prohibition or condition imposed by law.

4. As from and including the Effective Date:
 - (a) all certificates for the Scheme Shares in issue on the Scheme Record Date shall cease to have effect as documents or evidence of title for such Scheme Shares and every holder thereof shall be bound, at the request of the Company, to deliver up such certificates to the Company or to any person appointed by the Company to receive the same for cancellation;
 - (b) all instruments of transfer validly subsisting as at the Scheme Record Date in respect of the transfer of any number of the Scheme Shares shall cease to be valid for all purposes as instruments of transfer; and
 - (c) all mandates or other instructions to the Company in force as at the Scheme Record Date in relation to any of the Scheme Shares shall cease to be valid as effective mandates or instructions.
5. This Scheme shall become effective as soon as an office copy of the order of the Court sanctioning this Scheme (with or without modification) and confirming the reduction of the share capital of the Company provided for by this Scheme together with a minute and a return that comply with subsections (2) and (3) of section 230 of the Companies Ordinance shall have been delivered and registered by the Registrar of Companies in Hong Kong.
6. Unless this Scheme shall have become effective on or before the Long Stop Date, this Scheme shall lapse.
7. The Company and Galaxy Bond may jointly consent for and on behalf of all parties concerned to any modification of or addition to this Scheme or to any condition which the Court may see fit to approve or impose.
8. Pursuant to Rule 2.3 of the Takeovers Code, 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/or the Scheme shall be borne by Galaxy Bond. Given that the Proposal and/or the Scheme are recommended by the Independent Board Committee and the Independent Financial Adviser, the Company and Galaxy Bond have agreed that: (a) all costs, fees, charges and expenses of any professional adviser engaged or to be engaged by Galaxy Bond (including Somerley) will be borne by Galaxy Bond; (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/or the Scheme will be shared between the Company and Galaxy Bond in equal shares.

9. Galaxy Bond has agreed to undertake to the Court to be bound thereby and to execute and do and procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed and done by them for the purpose of giving effect to this Scheme.

20 December 2024

HCMP No. 1653/2024

**IN THE HIGH COURT OF THE
HONG KONG SPECIAL ADMINISTRATIVE REGION COURT
OF FIRST INSTANCE
MISCELLANEOUS PROCEEDINGS NO. 1653 OF 2024**

**IN THE MATTER OF
THE COMPANIES ORDINANCE (CAP. 622)**

AND

**IN THE MATTER OF
DOYEN INTERNATIONAL HOLDINGS LIMITED**

NOTICE OF COURT MEETING

NOTICE IS HEREBY GIVEN that, by an order (the “**Order**”) dated 12 December 2024 made in the above matters, the High Court (the “**Court**”) of the Hong Kong Special Administrative Region of the People’s Republic of China (“**Hong Kong**”) has directed that a meeting (the “**Court Meeting**”) of the holders of Scheme Shares (as defined in the Scheme referred to below) be convened for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement (the “**Scheme**”) proposed to be made between Doyen International Holdings Limited (the “**Company**”) and the Scheme Shareholders (as defined in the Scheme), and that the Court Meeting will be held at 9/F, The Center, 99 Queen’s Road Central, Central, Hong Kong, with access through online platform for Overseas Scheme Shareholders (as defined in the Scheme Document), on 17 January 2025 at 10:00 a.m. (Hong Kong time) at which place and time all Scheme Shareholders are requested to attend.

A copy of the Scheme and a copy of the explanatory statement (the “**Explanatory Statement**”) explaining the effect of the Scheme, required to be furnished pursuant to section 671 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), are incorporated in the composite scheme document dated 20 December 2024 of which this notice forms part (the “**Scheme Document**”), which has been sent to the shareholders of the Company as required. A copy of the Scheme Document can also be obtained by any person entitled to attend the Court Meeting during usual business hours on any day prior to the day appointed for the Court Meeting (other than a Saturday, Sunday or a public holiday in Hong Kong) from (i) the Company’s share registrar, Computershare Hong Kong Investor Services

Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong; or (ii) at the office of the Company's legal adviser, Chiu & Partners, at 40th Floor, Jardine House, 1 Connaught Place, Central, Hong Kong. The Scheme Document is also available at <https://www.doyenintl.com>.

In compliance with the Hong Kong Code on Takeovers and Mergers (the "**Takeovers Code**"), Shares held by Galaxy Bond Holdings Limited ("**Galaxy Bond**" or the "**Offeror**") and parties acting in concert (as defined in the Takeovers Code) with it may not be voted at the Court Meeting. Only Shares held by the Independent Scheme Shareholders (as defined in the Scheme) are eligible for voting thereat.

The abovementioned Independent Scheme Shareholders entitled to attend and vote at the Court Meeting are entitled to appoint one or more persons (whether such person is a Shareholder or not) as his/her proxy or proxies to attend and vote on his/her behalf. A proxy need not be a Shareholder. If more than one proxy is appointed, the number of Shares in respect of which each such proxy so appointed must be specified in the relevant proxy form. Every Shareholder present in person or by proxy shall be entitled to have one vote for each Share held by him/her/it. A **pink** form of proxy for use at the Court Meeting is enclosed with the Scheme Document.

Where there are joint registered holders of any shares of the Company, any one of such persons may vote at the Court Meeting, either personally or by proxy, in respect of such shares of the Company as if he/she/it were solely entitled thereto, but if more than one of such joint registered holders be present at the Court Meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares of the Company shall alone be entitled to vote in respect thereof. Executors or administrators of a deceased member in whose name any share stands shall be deemed as joint holders.

It is requested that forms appointing proxies, together with power of attorney under which they are signed (if any) or a notarially certified copy thereof (in the case of a corporation either under its seal or under the hand of an officer or attorney duly authorised) if any, be lodged at the Company's share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours (exclusive of any part of a day that is a public holiday) before the time appointed for holding the Court Meeting, or in any case of any adjournment thereof, not less than 48 hours (exclusive of any part of a day that is a public holiday) before the time appointed for the holding of such adjourned meeting. If the pink form of proxy is not so lodged, it may also be handed to the Chairman of the Court Meeting who shall have absolute discretion as to whether or not to accept it.

The record date for determining the entitlement of members of the Shares to attend and vote at the Court Meeting will be fixed on 17 January 2025. In order to be eligible to attend and vote at the Court Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. (Hong Kong Time) on 9 January 2025 (or such other date as the Shareholders may be notified by announcement).

Completion and return of the form of proxy will not preclude a Scheme Shareholder from attending the Court Meeting or any adjournment thereof and voting in person. In such event, his/her/its form of proxy shall be deemed to be revoked.

If there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above or extreme conditions in force at or after 8:00 a.m. on 17 January 2025 and/or the Hong Kong Observatory has announced at or before 8:00 a.m. on 17 January 2025 that any of the above mentioned warnings is to be issued within the next two hours, the Court Meeting shall automatically be postponed to the next Business Day (as defined in the Scheme) on which no “black” rainstorm warning or tropical cyclone warning signal number 8 or above is hoisted and no extreme conditions are in force between the hours from 8:00 a.m. to 10:00 a.m. and in such case the Court Meeting shall be held at 10:00 a.m. on that Business Day at 9/F, The Center, 99 Queen’s Road Central, Central, Hong Kong. For the avoidance of doubt, the Court Meeting will be held as scheduled even when a tropical cyclone warning signal number 3 or below is hoisted or an amber or red rainstorm warning signal is in force. Shareholders should make their own decision as to whether to attend the Court Meeting under bad weather conditions bearing in mind their own situation and, if they should choose to do so, they are advised to exercise care and caution.

By the same Order, the Court has appointed Mr. Cho Chun Wai (an executive director of the Company) to act as chairman of the Court Meeting and has directed the chairman of the Court Meeting to report the result thereof to the Court.

The Scheme will be subject to the subsequent sanction of the Court as set out in the Explanatory Statement contained in the Scheme Document.

Dated this 20 December 2024.

Chiu & Partners
40th Floor Jardine House,
1 Connaught Place, Central,
Hong Kong
Solicitors for the Company

Note:

HYBRID COURT MEETING

The Court Meeting will be in the form of a hybrid meeting.

In addition to the traditional physical attendance at the Court Meeting, the Overseas Scheme Shareholders (as defined in the Scheme) as at the Record Date (as defined in the Scheme) have the option of attending, participating and voting in the Court Meeting through online access by visiting the website at http://meetings.computershare.com/Doyen_CM2025 (the “**Online Platform**”). Overseas Scheme Shareholders as at the Record Date participating in the Court Meeting using the Online Platform will also be counted towards the quorum and you will be able to cast your votes, and submit questions and comments relevant to the proposed resolution through the Online Platform. **Overseas Scheme Shareholders choosing physical attendance at the Court Meeting should not access the Online Platform to exercise your voting rights and should use the physical voting papers provided thereat to cast your votes at the Court Meeting.**

Please note that the choice of physical attendance or online attendance through the Online Platform would not affect the right of the Overseas Scheme Shareholders to appoint the Chairman of the Court Meeting, as your proxy to exercise your voting rights at the Court Meeting. However, in the event that you choose to attend the physical Court Meeting or use the Online Platform and vote at the Court Meeting after having lodged your proxy forms, the returned proxy forms shall be deemed to have been revoked by operation of law.

ATTENDING THE COURT MEETING BY MEANS OF ELECTRONIC FACILITIES

Overseas Scheme Shareholders as at the Record Date attending the Court Meeting using the Online Platform are expected to have a reliable and stable internet connection that can support video live streaming and be able to follow the Court Meeting proceedings in order to cast the votes attached to the Scheme Shares and submit questions online. If for any reasons the internet connection is lost or interrupted, it may affect the ability of the Overseas Scheme Shareholders to follow the Court Meeting proceedings. Any missed contents as a result of connection issues relating to the Overseas Scheme Shareholders will not be repeated. Each set of Overseas Scheme Shareholder login details can be used on one electronic device (either smartphone, tablet device or computer) at one time only. If Overseas Scheme Shareholders experience any technical difficulties or require assistance while using the Online Platform, please contact the Company's share registrar, Computershare Hong Kong Investor Services Limited ("**Computershare**") at (852) 2862 8689 from 9:30 a.m. until the end of the Court Meeting (Hong Kong time) on the date of the Court Meeting. Please note that votes of the Overseas Scheme Shareholders as at the Record Date on the proposed resolution at the Court Meeting cannot be recorded at, or taken by, Computershare's service hotline. In the event that the Overseas Scheme Shareholders as at the Record Date have any concerns or issues attending the physical Court Meeting or using the Online Platform, you are encouraged to appoint the Chairman of the Court Meeting as your proxy to exercise your voting rights at the Court Meeting.

The Online Platform will be open to Overseas Scheme Shareholders as at the Record Date (see below for login details and arrangements) for login approximately 30 minutes prior to the scheduled commencement of the Court Meeting and can be accessed from any location with connection to the internet with a smartphone, tablet device or computer.

The step-by-step "Online User Guide for the Court Meeting and the EGM to be held on Friday, 17 January 2025" will be despatched together with this Scheme Document.

LOGIN DETAILS FOR OVERSEAS SCHEME SHAREHOLDERS

Details regarding the arrangements of the Court Meeting, including login details for access to the Online Platform and online voting, are included in the Company's notification letter to be despatched on Friday, 20 December 2024 to the Overseas Scheme Shareholders as at the Latest Practicable Date (as defined in the Scheme).

Any person who becomes an Overseas Scheme Shareholder after the Latest Practicable Date and who would like to have the option of attending, participating and voting in the Court Meeting using the Online Platform will need to contact Computershare for the login details to access the Online Platform and online voting no later than 4:30 p.m. on Thursday, 9 January 2025 (Hong Kong time) using the contact details set out below.

Any person who ceases to be an Overseas Scheme Shareholder after the Latest Practicable Date shall not use the login details for access to the Online Platform on the date of the Court Meeting and in any case, such login details will be deactivated after such person ceases to be an Overseas Scheme Shareholder.

QUESTIONS RELATING TO THE ARRANGEMENTS OF THE HYBRID COURT MEETING

For enquiries, please contact Computershare in person, by phone or online form, contact details of which are as follows:

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre,
183 Queen's Road East,
Wanchai, Hong Kong
Telephone: (852) 2862 8555
Website: www.computershare.com/hk/contact

As at the date of this notice, the board of directors of the Company 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.

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

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of Doyen International Holdings Limited (the “**Company**”) will be held at 9/F, The Center, 99 Queen’s Road Central, Central, Hong Kong, with online access through online platform for Overseas Shareholders, on 17 January 2025 at 10:30 a.m. (Hong Kong time) (or on the same day and at the same place immediately after the meeting of the holders of Scheme Shares (as defined in the Scheme referred to below) convened at the direction of the High Court of the Hong Kong Special Administrative Region of the People’s Republic of China (the “**Court**”) for the same place and day (the “**Court Meeting**”)) for the purpose of considering and, if thought fit, passing with or without modification, the following resolutions:

SPECIAL RESOLUTION1. “**THAT:**

- (a) the proposed scheme of arrangement dated 20 December 2024 (the “**Scheme**”) between the Company and the Scheme Shareholders (as defined in the Scheme) in the form contained in the composite scheme document dated 20 December 2024 (the “**Scheme Document**”), which has been produced to this EGM and for the purposes of identification signed by the chairman of this EGM, with any modification of or addition to it, or any condition, as may be approved or imposed by the Court, be and is hereby approved;
- (b) for the purpose of giving effect to the Scheme, on the Effective Date (as defined in the Scheme), the issued share capital of the Company be reduced by cancelling and extinguishing the Scheme Shares (as defined in the Scheme) in issue on the Scheme Record Date (as defined in the Scheme); and
- (c) the directors of the Company (the “**Directors**”) be and are hereby unconditionally authorised to do all such acts and things considered by them to be necessary or desirable in connection with the implementation of the Scheme and the reduction of capital pursuant to the Scheme, including (without limitation) the giving of consent, on behalf of the Company, to any modification of or addition to, the Scheme or the reduction of capital, which the Court may see fit to impose.”

ORDINARY RESOLUTION

2. “THAT:

- (a) subject to and forthwith upon the reduction of capital referred to in resolution 1(b) above taking effect, the share capital of the Company be restored to its former amount by the issue of 1,166,038,550 new shares of the Company to Galaxy Bond Holdings Limited (“**Galaxy Bond**”, i.e. the Offeror) by the Company (all credited as fully-paid by applying the reserve created as a result of such cancellation, extinguishment and reduction) which, in aggregate, are equal to the number of the Scheme Shares cancelled and extinguished;
- (b) the Company shall apply the credit arising in its books of account as a result of the reduction of capital in paying up in full the new shares of the Company to be allotted and issued, credited as fully paid, to Galaxy Bond, and the Directors be and are hereby unconditionally authorised to allot and issue the same accordingly;
- (c) the listing of the shares of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) be withdrawn, subject to the Scheme taking effect; and
- (d) the Directors be and are hereby unconditionally authorised to do all such acts and things considered by them to be necessary or desirable in connection with the implementation of the Scheme and in relation to the proposed privatisation of the Company by Galaxy Bond by way of the Scheme as a whole, including (without limitation) (i) the making of an application to the Stock Exchange for the withdrawal of the listing of the shares of the Company on the Stock Exchange, subject to the Scheme taking effect; and (ii) the allotment and issue of the new shares of the Company referred to in paragraph (a) of this resolution.”

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

Hong Kong, 20 December 2024

Notes:

1. Unless otherwise defined in this notice, terms defined in the Scheme Document shall have the same meanings when used in this notice.
2. Any Shareholder entitled to attend and vote at the EGM is entitled to appoint one or more persons (whether such person is a Shareholder or not) as his/her proxy or proxies to attend and vote on his/her behalf. A proxy need not be a Shareholder. If more than one proxy is appointed, the number of Shares in respect of which each such proxy so appointed must be specified in the relevant proxy form. Every Shareholder present in person or by proxy shall be entitled to have one vote for each Share held by him/her/it.

3. In order to be valid, the form of proxy together with the power of attorney and other authorisation documents, if any, must be lodged at the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours prior to the EGM (i.e. 10:30 a.m. on 15 January 2025) or any adjournment thereof.
4. If the proxy is a legal person, its legal representative or any representative authorised by its board of directors or by other decision-making body shall attend the EGM on its behalf. If the Shareholder is a recognised clearing house (or its agent), the Shareholder may authorise one or more suitable persons to act as its representative at the EGM; however, if more than one person is authorised, the form of proxy shall clearly indicate the number of shares each person is authorised to represent. The persons after such authorisation may represent the recognised clearing house (or its agent) to exercise the rights, as if they were the individual Shareholders.
5. A vote made in accordance with the terms of a proxy shall be valid notwithstanding the death or loss of capacity of the appointor or revocation of the proxy or the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given, provided that the Company does not receive any written notice in respect of such matters before the commencement of the EGM.
6. The record date for determining the entitlement of members of the Shares to attend and vote at the EGM will be fixed on 17 January 2025. In order to be eligible to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 9 January 2025.
7. Completion and return of an instrument appointing a proxy will not preclude a Shareholder from attending and voting in person at the EGM and/or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
8. As required under the Listing Rules, the above resolutions will be decided by way of poll, except where the chairman, in good faith, decides to allow a resolution relating to a procedural or administrative matter to be voted on by show of hands.
9. Shareholders or their proxies shall present their identity documents when attending the EGM. If any attending Shareholder is a legal person, its legal representative or director or person authorised by other governing body shall present the copy of the resolution of the board of directors or other governing body of such Shareholder for appointing such person to attend the EGM.
10. If there is a "black" rainstorm warning or a tropical cyclone warning signal number 8 or above or extreme conditions in force at or after 8:00 a.m. on 17 January 2025 and/or the Hong Kong Observatory has announced at or before 8:00 a.m. on 17 January 2025 that any of the above mentioned warnings is to be issued within the next two hours, the EGM shall automatically be postponed to the next Business Day (as defined in the Scheme) on which no "black" rainstorm warning or tropical cyclone warning signal number 8 or above is hoisted and no extreme conditions are in force between the hours from 8:00 a.m. to 10:00 a.m. and in such case the EGM shall be held at 10:30 a.m. on that Business Day (or on the same day and at the same place immediately after the Court Meeting shall have been concluded or adjourned) at 9/F, The Center, 99 Queen's Road Central, Central, Hong Kong. For the avoidance of doubt, the EGM will be held as scheduled even when a tropical cyclone warning signal number 3 or below is hoisted or an amber or red rainstorm warning signal is in force. Shareholders should make their own decision as to whether to attend the EGM under bad weather conditions bearing in mind their own situation and, if they should choose to do so, they are advised to exercise care and caution.
11. The form of proxy for use at the EGM is enclosed herewith.
12. In case of any inconsistency, the English version of this notice shall prevail.
13. HYBRID EGM

The EGM will be in the form of a hybrid meeting.

In addition to the traditional physical attendance at the EGM, the Overseas Shareholders as at the Record Date have the option of attending, participating and voting in the EGM through online access by visiting the website at http://meetings.computershare.com/Doyen_EGM2025 (the “**Online Platform**”). Overseas Shareholders as at the Record Date participating in the EGM using the Online Platform will also be counted towards the quorum and you will be able to cast your votes, and submit questions and comments relevant to the proposed resolution through the Online Platform. **Overseas Shareholders choosing physical attendance at the EGM should not access the Online Platform to exercise your voting rights and should use the physical voting papers provided thereat to cast your votes at the EGM.**

Please note that the choice of physical attendance or online attendance through the Online Platform would not affect the right of the Overseas Shareholders to appoint the Chairman of the EGM, as your proxy to exercise your voting rights at the EGM. However, in the event that you choose to attend the physical EGM or use the Online Platform and vote at the EGM after having lodged your proxy forms, the returned proxy forms shall be deemed to have been revoked by operation of law.

ATTENDING THE EGM BY MEANS OF ELECTRONIC FACILITIES

Overseas Shareholders as at the Record Date attending the EGM using the Online Platform are expected to have a reliable and stable internet connection that can support video live streaming and be able to follow the EGM proceedings in order to cast the votes attached to the Shares and submit questions online. If for any reasons the internet connection is lost or interrupted, it may affect the ability of the Overseas Shareholders to follow the EGM proceedings. Any missed contents as a result of connection issues relating to the Overseas Shareholders will not be repeated. Each set of Overseas Shareholder login details can be used on one electronic device (either smartphone, tablet device or computer) at one time only. If Overseas Shareholders experience any technical difficulties or require assistance while using the Online Platform, please contact the Company’s share registrar, Computershare Hong Kong Investor Services Limited (“**Computershare**”) at (852) 2862 8689 from 9:30 a.m. until the end of the EGM (Hong Kong time) on the date of the EGM. Please note that votes of the Overseas Shareholders as at the Record Date on the proposed resolution at the EGM cannot be recorded at, or taken by, Computershare’s service hotline. In the event that the Overseas Shareholders as at the Record Date have any concerns or issues attending the physical EGM or using the Online Platform, you are encouraged to appoint the Chairman of the EGM as your proxy to exercise your voting rights at the EGM.

The Online Platform will be open to Overseas Shareholders as at the Record Date (see below for login details and arrangements) for login approximately 30 minutes prior to the scheduled commencement of the EGM and can be accessed from any location with connection to the internet with a smartphone, tablet device or computer.

The step-by-step “Online User Guide for the Court Meeting and the EGM to be held on Friday, 17 January 2025” will be despatched together with this Scheme Document.

LOGIN DETAILS FOR OVERSEAS SHAREHOLDERS

Details regarding the arrangements of the EGM, including login details for access to the Online Platform and online voting, are included in the Company’s notification letter to be despatched on Friday, 20 December 2024 to the Overseas Shareholders as at the Latest Practicable Date (as defined in the Scheme).

Any person who becomes an Overseas Shareholder after the Latest Practicable Date and who would like to have the option of attending, participating and voting in the EGM using the Online Platform will need to contact Computershare for the login details to access the Online Platform and online voting no later than 4:30 p.m. on Thursday, 9 January 2025 (Hong Kong time) using the contact details set out below.

Any person who ceases to be an Overseas Shareholder after the Latest Practicable Date shall not use the login details for access to the Online Platform on the date of the EGM and in any case, such login details will be deactivated after such person ceases to be an Overseas Shareholder.

QUESTIONS RELATING TO THE ARRANGEMENTS OF THE HYBRID EGM

For enquiries, please contact Computershare in person, by phone or online form, contact details of which are as follows:

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre,
183 Queen's Road East,
Wanchai, Hong Kong
Telephone: (852) 2862 8555
Website: www.computershare.com/hk/contact

As at the date of this notice, the board of directors of the Company 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.

DOCUMENTS ON DISPLAY

Copies of the following documents are available for inspection and on display (where applicable) on (i) at the registered office of the Company at Suite 2206, 22/F., Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong during normal business hours from 9:00 a.m. to 5:00 p.m. (except Saturdays, Sundays and public holidays in Hong Kong); (ii) the website of the SFC at <http://www.sfc.hk>; and (iii) the website of the Company at <https://www.doyenintl.com> from the date of this Scheme Document up to and including the Effective Date or the date on which the Scheme lapses or is withdrawn, whichever is earlier:

- (1) the articles of association of the Company;
- (2) the memorandum of association and articles of association of Galaxy Bond;
- (3) the annual reports of the Company for each of the two financial years ended 31 December 2023;
- (4) the interim report of the Company for the six months ended 30 June 2024;
- (5) the letter from the Board, the text of which is set out pages 14 to 32 of this Scheme Document;
- (6) the letter from the Independent Board Committee, the text of which is set out pages 33 to 34 of this Scheme Document;
- (7) the letter from the Independent Financial Adviser, the text of which is set out pages 35 to 66 of this Scheme Document;
- (8) the MS Irrevocable Undertakings;
- (9) the Other Irrevocable Undertakings;
- (10) the property valuation report from the property valuer, the text of which is set out in Appendix II to this Scheme Document;
- (11) the letters of consents referred to under the paragraph headed “10. Qualifications and consent of experts” in Appendix III to this Scheme Document; and
- (12) this Scheme Document.