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SKY SHIELD INVESTMENT LIMITED

天盾投資有限公司

(Incorporated in the British Virgin Islands with limited liability)

ROYAL GROUP HOLDINGS

INTERNATIONAL COMPANY LIMITED

皇璽集團控股國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8300)

JOINT ANNOUNCEMENT

- (1) COMPLETION OF THE SALE AND PURCHASE OF THE SALE SHARES IN ROYAL GROUP HOLDINGS INTERNATIONAL COMPANY LIMITED;**
(2) MANDATORY UNCONDITIONAL CASH OFFERS BY SORRENTO SECURITIES LIMITED FOR AND ON BEHALF OF SKY SHIELD INVESTMENT LIMITED TO ACQUIRE ALL THE ISSUED SHARES OF ROYAL GROUP HOLDINGS INTERNATIONAL COMPANY LIMITED AND TO CANCEL ALL OUTSTANDING OPTIONS OF ROYAL GROUP HOLDINGS INTERNATIONAL COMPANY LIMITED (OTHER THAN THOSE SHARES ALREADY OWNED AND/OR AGREED TO BE ACQUIRED BY SKY SHIELD INVESTMENT LIMITED AND PARTIES ACTING IN CONCERT WITH IT);
(3) APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER; AND
(4) RESUMPTION OF TRADING

Financial adviser to the Offeror



Independent Financial Adviser to the Independent Board Committee



THE SALE AND PURCHASE AGREEMENTS

The Board was informed by the Selling Shareholders that on 29 September 2023 (after trading hours):

- (i) the Offeror (as purchaser) and the Selling Shareholders (as vendors) entered into Sale and Purchase Agreement 1, pursuant to which the Selling Shareholders agreed to sell, and the Offeror agreed to acquire, the full legal and beneficial title and interest in the Sale Shares (being an aggregate of 1,729,440,000 Shares), representing approximately 65.42% of the total issued share capital of the Company as at the date of this joint announcement, at a total consideration of HK\$55,342,080, which is equivalent to HK\$0.032 per Sale Share; and
- (ii) Ms. Kong (as purchaser) and Fortune Round (as vendor) entered into Sale and Purchase Agreement 2, pursuant to which Fortune Round agreed to sell, and Ms. Kong agreed to acquire, the full legal and beneficial title and interest in the Sale Shares (being an aggregate of 250,000,000 Shares), representing approximately 9.46% of the total issued share capital of the Company as at the date of this joint announcement, at a total consideration of HK\$8,000,000, which is equivalent to HK\$0.032 per Sale Share.

Details of the Sale and Purchase Agreements are set out in the section headed “The Sale and Purchase Agreements” of this joint announcement.

The Offeror fully paid the Consideration to the Selling Shareholders in cash on the Completion Date, being 3 October 2023, pursuant to Sale and Purchase Agreement 1. Ms. Kong also fully paid the Consideration to Fortune Round in cash on the Completion Date, being 3 October 2023, pursuant to Sale and Purchase Agreement 2.

THE OFFERS

Immediately prior to Completion, none of the Offeror, the ultimate beneficial owner of the Offeror (i.e. Mr. Zhou) and the parties acting in concert with any of them (including Ms. Kong) held any Shares, save for the 148,980,000 Shares held by Mr. Zhou, representing approximately 5.64% of the total issued share capital of the Company.

Immediately following Completion and as at the date of this joint announcement, the Offeror, the ultimate beneficial owner of the Offeror (i.e. Mr. Zhou) and the parties acting in concert with any of them (including Ms. Kong) hold a total of 2,128,420,000 Shares (comprising the 148,980,000 Shares which Mr. Zhou holds, the 1,729,440,000 Shares which the Offeror holds, and the 250,000,000 Shares which Ms. Kong holds), representing in aggregate approximately 80.52% of the entire issued share capital of the Company.

In addition, immediately following Completion and as at the date of this joint announcement, the Company has 60,000,000 outstanding Options with an exercise price of HK\$0.163 each.

Pursuant to Rules 26.1 and 13.5 of the Takeovers Code, upon Completion, the Offeror is required to make the mandatory unconditional cash offers (i) to acquire all of the Shares in the issued share capital of the Company (other than those Shares already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it); and (ii) to cancel all outstanding Options.

As at the date of this joint announcement, the Company has 2,643,360,000 Shares in issue and 60,000,000 outstanding Options with an exercise price of HK\$0.163 each. Save as disclosed above, the Company does not have any outstanding options, derivatives, warrants or other securities convertible or exchangeable into Shares or which confer rights to require the issue of Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares or which confer rights to require the issue of Shares. Save as disclosed above, as at the date of this joint announcement, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in issue.

PRINCIPAL TERMS OF THE OFFERS

The Share Offer

Sorrento Securities, for and on behalf of the Offeror and in compliance with the Takeovers Code, will make the Share Offer on the following basis:

For each Offer ShareHK\$0.032 in cash

The Offer Price of HK\$0.032 per Offer Share under the Share Offer is equal to (i) the price per Sale Share paid by the Offeror for the 1,729,440,000 Sale Shares under Sale and Purchase Agreement 1; and (ii) the price per Sale Share paid by Ms. Kong for the 250,000,000 Sale Shares under Sale and Purchase Agreement 2.

The Share Offer will be extended to all Shareholders other than the Offeror and parties acting in concert with it in accordance with the Takeovers Code. The Offer Shares to be acquired under the Share Offer will be fully paid and free from all Encumbrances together with all rights attached thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date on which the Share Offer is made, being the date of despatch of the Composite Document.

The Option Offer

Sorrento Securities, for and on behalf of the Offeror, will make the Option Offer to the Optionholders in accordance with Rule 13 of the Takeovers Code to cancel all outstanding Options in exchange for cash on the following basis:

In respect of Options with an exercise price of HK\$0.163 each:

For cancellation of each such OptionHK\$0.0001 in cash

The Option Offer will be unconditional in all respects when made. Following acceptance of the Option Offer, the relevant Options together with all rights attaching thereto will be entirely cancelled and renounced.

The Offeror confirms that the Offer Price and cancellation price of the Options are final and will not be increased.

Immediately following Completion and as at the date of this joint announcement, the Company has (i) 2,643,360,000 Shares in issue, of which 2,128,420,000 Shares are held by the Offeror and parties acting in concert with it (representing approximately 80.52% of the total issued share capital of the Company); and (ii) 60,000,000 outstanding Options under the Share Option Scheme with an exercise price of HK\$0.163 each. Save as disclosed above, there are no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company in issue.

The principal terms of the Offers are set out in the section headed “Principal Terms of the Offers” of this joint announcement.

The Company confirms that as at the date of this joint announcement, (i) the Company has not declared any dividend which remains unpaid; and (ii) it does not have any intention to make, declare or pay any future dividend/make other distributions on or before the close of the Offers.

The Offers will be unconditional in all respects when made and will not be conditional upon acceptances being received in respect of a minimum number of Offer Shares and in respect of a minimum number of Options to be cancelled.

The Offeror intends to maintain the listing of the Shares on GEM of the Stock Exchange following the close of the Offers and will take appropriate steps as soon as possible following the close of the Offers to ensure that a sufficient public float exists for the Shares. The steps that the Offeror may take include but not limited to (i) placing down or selling sufficient number of accepted Shares it acquired from the Share Offer to selected independent third parties or in the market; and/or (ii) issue of additional Shares by the Company for this purpose.

Total consideration of the Offers

As at the date of this joint announcement, the Company has 2,643,360,000 Shares in issue and 60,000,000 outstanding Options under the Share Option Scheme with an exercise price of HK\$0.163 each. On the basis of the Offer Price being HK\$0.032 per Offer Share and the price of HK\$0.0001 for cancellation of each outstanding Option:

- (a) all issued Shares (assuming that the Options are exercised in full) and nil outstanding Options of the Company would be valued at HK\$86,507,520; and
- (b) all issued Shares (assuming that none of the Options is exercised) and all outstanding Options of the Company would be valued at HK\$84,593,520.

Upon Completion, save for (i) the 148,980,000 Shares which Mr. Zhou holds; (ii) the 1,729,440,000 Shares which the Offeror holds; and (iii) the 250,000,000 Shares which Ms. Kong holds:

- (a) assuming that no Option is exercised: (i) the value of the Share Offer will be approximately HK\$16,478,080 (with 514,940,000 Shares subject to the Share Offer); and (ii) the value of the Option Offer will be approximately HK\$6,000; and
- (b) assuming all Options are exercised: (i) the value of the Share Offer will be approximately HK\$18,398,080 (with 574,940,000 Shares subject to the Share Offer); and (ii) the value of the Option Offer will be nil.

Confirmation of financial resources available for the Offers

The maximum payment obligations payable for the Offers shall be payable in cash. The Offeror intends to finance the maximum payment obligations payable for the Offers by its own internal resources. The maximum aggregate amount payable by the Offeror for the Offers would be HK\$18,398,080 (being the higher amount of scenario (a) and (b) above) based on the Offer Price of HK\$0.032 per Offer Share assuming that the Options will be exercised in full and full acceptance of the Offers.

Sorrento Capital, being the financial adviser to the Offeror in respect of the Offers, is satisfied that sufficient financial resources are and will remain available to the Offeror to satisfy the maximum payment obligations upon full acceptance of the Offers.

GENERAL

Independent Board Committee and Independent Financial Adviser

Pursuant to Rule 2.1 of the Takeovers Code, a board which receives an offer, or is approached with a view to an offer being made, must, in the interests of shareholders, establish an independent committee of the board to make a recommendation (i) as to whether the offer is, or is not, fair and reasonable; and (ii) as to acceptance.

The Independent Board Committee, comprising all of the three independent non-executive Directors, namely Mr. Ma Yiu Ho Peter, Mr. Cai Chun Fai and Mr. Ng Sai Cheong, has been established to advise the Independent Shareholders as to whether the Share Offer is, or is not, fair and reasonable and to give a recommendation as to acceptance of the Share Offer, and to advise the Optionholders as to whether the Option Offer is, or is not, fair and reasonable and to give a recommendation as to acceptance of the Option Offer.

Ample Capital has been appointed as the independent financial adviser to advise the Independent Board Committee, the Independent Shareholders and the Optionholders in connection with the Offers and in particular as to whether the Offers are, or are not, fair and reasonable and as to their acceptance. The appointment of the Independent Financial Adviser has been approved by the Independent Board Committee.

Despatch of the Composite Document

It is the intention of the Offeror and the Board to combine the offer document and the offeree board circular into the Composite Document. Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document in connection with the Offers setting out, among other things, (i) details of the Offers (including the expected timetable and the terms of the Offers); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders and the Optionholders in respect of the Offers; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee, the Independent Shareholders and the Optionholders in respect of the Offers, together with the Forms of Acceptance, will be despatched jointly by the Offeror and the Company to the Shareholders and the Optionholders as soon as practicable and no later than 21 days after the date of this joint announcement unless the Executive grants a consent for extension. It is expected that the Composite Document will be despatched on or before 30 October 2023.

Further announcement(s) regarding the despatch of the Composite Document will be made by the Offeror and the Company as and when appropriate.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on GEM of the Stock Exchange has been suspended with effect from 9:00 a.m. on Tuesday, 3 October 2023 pending publication of this joint announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on Tuesday, 10 October 2023.

WARNING

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

Shareholders, Optionholders and/or potential investors should exercise caution when dealing in the Shares, exercising the Options or other rights in respect of any of them. If the Shareholders, Optionholders and potential investors are in any doubt about their position, they should consult their professional advisers.

The Board was informed by the Selling Shareholders that on 29 September 2023 (after trading hours), (i) the Offeror (as purchaser) and the Selling Shareholders (as vendors) entered into Sale and Purchase Agreement 1; and (ii) Ms. Kong (as purchaser) and Fortune Round (as vendor) entered into Sale and Purchase Agreement 2.

THE SALE AND PURCHASE AGREEMENTS

The principal terms of the Sale and Purchase Agreements are summarised below:

Sale and Purchase Agreement 1

Date 29 September 2023 (after trading hours)

Parties (1) Vendors: Selling Shareholders, comprising:

- Fortune Round Limited (as to 1,250,000,000 Sale Shares, representing approximately 47.29% of the total issued share capital of the Company as at the date of this joint announcement)
- Mr. Wong Man Wai (as to 162,120,000 Sale Shares, representing approximately 6.13% of the total issued share capital of the Company as at the date of this joint announcement)
- Keenfull Investments Limited (as to 317,320,000 Sale Shares, representing approximately 12.00% of the total issued share capital of the Company as at the date of this joint announcement)

(2) Purchaser: Sky Shield Investment Limited (i.e. the Offeror)

Sale and Purchase Agreement 2

Date 29 September 2023 (after trading hours)

Parties (1) Vendor: Fortune Round Limited (as to 250,000,000 Sale Shares, representing approximately 9.46% of the total issued share capital of the Company as at the date of this joint announcement)

- (2) Purchaser: Ms. Kong Yuen Man (who, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, is an Independent Third Party. Ms. Kong is a party acting in concert with the Offeror)

Sale Shares

Pursuant to Sale and Purchase Agreement 1, the Selling Shareholders agreed to sell, and the Offeror agreed to acquire, the full legal and beneficial title and interest in a total of 1,729,440,000 Sale Shares, representing approximately 65.42% of the total issued share capital of the Company as at the date of this joint announcement, free from any and all Encumbrances as from the Completion Date and together with all dividends, benefits and rights attached or accruing thereto as from the date of Sale and Purchase Agreement 1.

Pursuant to Sale and Purchase Agreement 2, Fortune Round agreed to sell, and Ms. Kong agreed to acquire, the full legal and beneficial title and interest in 250,000,000 Sale Shares, representing approximately 9.46% of the total issued share capital of the Company as at the date of this joint announcement, free from any and all Encumbrances as from the Completion Date and together with all dividends, benefits and rights attached or accruing thereto as from the date of Sale and Purchase Agreement 2.

Consideration

The Consideration for the Sale Shares is HK\$63,342,080 (or HK\$0.032 per Sale Share) in aggregate, of which (i) HK\$40,000,000, HK\$5,187,840 and HK\$10,154,240 are payable by the Offeror to Fortune Round, Mr. Wong and Keenfull Investments, respectively, under Sale and Purchase Agreement 1 at Completion; and (ii) HK\$8,000,000 is payable by Ms. Kong to Fortune Round under Sale and Purchase Agreement 2 at Completion.

The Consideration was determined after arm's length negotiations between (i) the Selling Shareholders and the Offeror; and (ii) Ms. Kong and Fortune Round, taking into account, among others, (i) the business and the historical financial performance and financial position of the Group; and (ii) the Company's historical liquidity and share prices performance traded on the Stock Exchange.

Completion

The Offeror fully paid the Consideration to the Selling Shareholders in cash on the Completion Date, being 3 October 2023, pursuant to Sale and Purchase Agreement 1.

Ms. Kong also fully paid the Consideration to Fortune Round in cash on the Completion Date, being 3 October 2023, pursuant to Sale and Purchase Agreement 2.

MANDATORY UNCONDITIONAL CASH OFFERS

The Offers

Immediately prior to Completion, none of the Offeror, the ultimate beneficial owner of the Offeror (i.e. Mr. Zhou) and the parties acting in concert with any of them (including Ms. Kong) held any Shares, save for the 148,980,000 Shares held by Mr. Zhou, representing approximately 5.64% of the total issued share capital of the Company.

Immediately following Completion and as at the date of this joint announcement, the Offeror, the ultimate beneficial owner of the Offeror (i.e. Mr. Zhou) and the parties acting in concert with any of them (including Ms. Kong) hold a total of 2,128,420,000 Shares (comprising the 148,980,000 Shares which Mr. Zhou holds, the 1,729,440,000 Shares which the Offeror holds, and the 250,000,000 Shares which Ms. Kong holds), representing in aggregate approximately 80.52% of the entire issued share capital of the Company.

In addition, immediately following Completion and as at the date of this joint announcement, the Company has 60,000,000 outstanding Options with an exercise price of HK\$0.163 each.

Pursuant to Rules 26.1 and 13.5 of the Takeovers Code, upon Completion, the Offeror is required to make the mandatory unconditional cash offers (i) to acquire all of the Shares in the issued share capital of the Company (other than those Shares already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it); and (ii) to cancel all outstanding Options.

As at the date of this joint announcement, the Company has 2,643,360,000 Shares in issue and 60,000,000 outstanding Options with an exercise price of HK\$0.163 each. Save as disclosed above, the Company does not have any outstanding options, derivatives, warrants or other securities convertible or exchangeable into Shares or which confer rights to require the issue of Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares or which confer rights to require the issue of Shares. Save as disclosed above, as at the date of this joint announcement, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in issue.

PRINCIPAL TERMS OF THE OFFERS

The Share Offer

Sorrento Securities, for and on behalf of the Offeror and in compliance with the Takeovers Code, will make the Share Offer on the following basis:

For each Offer Share HK\$0.032 in cash

The Offer Price of HK\$0.032 per Offer Share under the Share Offer is equal to (i) the price per Sale Share paid by the Offeror for the 1,729,440,000 Sale Shares under Sale and Purchase Agreement 1; and (ii) the price per Sale Share paid by Ms. Kong for the 250,000,000 Sale Shares under Sale and Purchase Agreement 2.

The Share Offer will be extended to all Shareholders other than the Offeror and parties acting in concert with it in accordance with the Takeovers Code. The Offer Shares to be acquired under the Share Offer will be fully paid and free from all Encumbrances together with all rights attached thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date on which the Share Offer is made, being the date of despatch of the Composite Document.

The Option Offer

Sorrento Securities, for and on behalf of the Offeror, will make the Option Offer to the Optionholders in accordance with Rule 13 of the Takeovers Code to cancel all outstanding Options in exchange for cash on the following basis:

In respect of Options with an exercise price of HK\$0.163 each:

For cancellation of each such Option HK\$0.0001 in cash

The Option Offer will be unconditional in all respects when made. Following acceptance of the Option Offer, the relevant Options together with all rights attaching thereto will be entirely cancelled and renounced.

The Offeror confirms that the Offer Price and cancellation price of the Options are final and will not be increased.

Immediately following Completion and as at the date of this joint announcement, the Company has (i) 2,643,360,000 Shares in issue, of which 2,128,420,000 Shares are held by the Offeror and parties acting in concert with it (representing approximately 80.52% of the total issued share capital of the Company); and (ii) 60,000,000 outstanding Options under

the Share Option Scheme with an exercise price of HK\$0.163 each. Save as disclosed above, as at the date of this joint announcement, there are no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company in issue.

The Company confirms that as at the date of this joint announcement, (i) the Company has not declared any dividend which remains unpaid; and (ii) it does not have any intention to make, declare or pay any future dividend/make other distributions on or before the close of the Offers.

The Offers will be unconditional in all respects when made and will not be conditional upon acceptances being received in respect of a minimum number of Offer Shares and in respect of a minimum number of Options to be cancelled.

Comparison of value

The Offer Price of HK\$0.032 per Offer Share represents:

- (i) a discount of approximately 81.92% to the closing price of HK\$0.177 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 82.40% to the average closing price of approximately HK\$0.1818 per Share, being the average closing price of the Shares as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;
- (iii) a discount of approximately 78.68% to the average closing price of approximately HK\$0.1501 per Share, being the average closing price of the Shares as quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to and including the Last Trading Day;
- (iv) a discount of approximately 69.92% to the average closing price of approximately HK\$0.1064 per Share, being the average closing price of the Shares as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Day; and
- (v) a premium of approximately 300% over the audited consolidated net assets per Share of approximately HK\$0.008 as at 31 March 2023, which was calculated based on the audited consolidated net asset value attributable to owners of the Company of approximately HK\$21,045,000 as at 31 March 2023 (the date on which the latest audited financial results of the Group were made up) and 2,643,360,000 Shares in issue as at the date of this joint announcement.

Highest and lowest Share prices

During the six-month period immediately prior to the commencement of the offer period on 9 October 2023 (as defined under the Takeovers Code) and up to and including the date of this joint announcement, the highest closing price of the Shares quoted on the Stock Exchange was HK\$0.196 per Share on 28 September 2023 and the lowest closing price of the Shares quoted on the Stock Exchange was HK\$0.013 per Share on 7 June 2023.

Total consideration of the Offers

As at the date of this joint announcement, the Company has 2,643,360,000 Shares in issue and 60,000,000 outstanding Options under the Share Option Scheme with an exercise price of HK\$0.163 each. On the basis of the Offer Price being HK\$0.032 per Offer Share and the price of HK\$0.0001 for cancellation of each outstanding Option:

- (a) all issued Shares (assuming that the Options are exercised in full) and nil outstanding Options of the Company would be valued at HK\$86,507,520; and
- (b) all issued Shares (assuming that none of the Options is exercised) and all outstanding Options of the Company would be valued at HK\$84,593,520.

Upon Completion, save for (i) the 148,980,000 Shares which Mr. Zhou holds; (ii) the 1,729,440,000 Shares which the Offeror holds; and (iii) the 250,000,000 Shares which Ms. Kong holds:

- (a) assuming that no Option is exercised: (i) the value of the Share Offer will be approximately HK\$16,478,080 (with 514,940,000 Shares subject to the Share Offer); and (ii) the value of the Option Offer will be approximately HK\$6,000; and
- (b) assuming all Options are exercised: (i) the value of the Share Offer will be approximately HK\$18,398,080 (with 574,940,000 Shares subject to the Share Offer); and (ii) the value of the Option Offer will be nil.

Confirmation of financial resources available for the Offers

The maximum payment obligations payable for the Offers shall be payable in cash. The Offeror intends to finance the maximum payment obligations payable for the Offers by its own internal resources. The maximum aggregate amount payable by the Offeror for the Offers would be HK\$18,398,080 (being the higher amount of scenario (a) and (b) above) based on the Offer Price of HK\$0.032 per Offer Share assuming that the Options will be exercised in full and full acceptance of the Offers.

Sorrento Capital, being the financial adviser to the Offeror in respect of the Offers, is satisfied that sufficient financial resources are and will remain available to the Offeror to satisfy the maximum payment obligations upon full acceptance of the Offers.

Effect of accepting the Offers

Acceptance of the Share Offer by any Shareholder will be deemed to constitute a warranty by such person that all Offer Shares sold by such person under the Share Offer are free from all Encumbrances together with all rights attached thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date on which the Share Offer is made, being the date of the despatch of the Composite Document. The Company confirms that as at the date of this joint announcement, (i) the Company has not declared any dividend which remains unpaid; and (ii) it does not have any intention to make, declare or pay any future dividend/make other distributions on or before the close of the Offers.

By accepting the Option Offer, the Optionholders will agree to the cancellation of their tendered Options and all rights attached thereto with effect from the date on which the Option Offer is made, being the date of the despatch of the Composite Document.

The Offers will be unconditional in all respects when made and will not be conditional upon acceptances being received in respect of a minimum number of Offer Shares and in respect of a minimum number of Options to be cancelled. Acceptance of the Offers shall be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code.

Stamp duty

In Hong Kong, seller's ad valorem stamp duty arising in connection with acceptance of the Share Offer will be payable by the relevant Independent Shareholders at a rate of 0.13% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptance of the Share Offer, whichever is higher, and will be deducted from the cash amount payable by the Offeror to the Independent Shareholders who accept the Share Offer.

The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the Independent Shareholders accepting the Share Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptance of the Share Offer and the transfer of the relevant Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

No stamp duty is payable in connection with the Option Offer.

Payment

Payment in cash in respect of acceptance of the Share Offer and the Option Offer will be made as soon as possible but in any event no later than seven (7) business days (as defined in the Takeovers Code) after the date on which the duly completed acceptance of the Share Offer and/or the Option Offer (as the case may be) are/is received. Relevant documents evidencing title in respect of such acceptance must be received by or on behalf of the Offeror (or its agent) to render each such acceptance of the Share Offer and/or the Option Offer (as the case may be) complete and valid in accordance with Rule 20.1 and Note 1 to Rule 30.2 of the Takeovers Code.

No fractions of a Hong Kong cent will be payable and the amount of the consideration payable to a Shareholder who accepts the Share Offer and an Optionholder who accepts the Option Offer will be rounded up to the nearest Hong Kong cent.

Taxation advice

Independent Shareholders and Optionholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offers. None of the Offeror, parties acting in concert with it, the Company, Sorrento Capital, Sorrento Securities, the Independent Financial Adviser, and (as the case may be) their respective ultimate beneficial owners, directors, officers, agents, associates, professional advisers or any other person involved in the Offers accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offers.

Availability of the Offers

The Offeror intends to make the Share Offer and the Option Offer available to all the Independent Shareholders and Optionholders, respectively. As the Share Offer and the Option Offer to persons with a registered address in a jurisdiction outside Hong Kong may be affected by the laws of the relevant overseas jurisdictions, Independent Shareholders and Optionholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice. Persons who are residents, citizens or nationals outside Hong Kong should inform themselves about and observe, at their own responsibility, any applicable laws, regulations, requirements and restrictions in their own jurisdictions in connection with the acceptance of the Offers, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with the other necessary formalities and the payment of any issue, transfer or other taxes due in respect of such jurisdiction.

In the event that the receipt of the Composite Document by overseas Shareholders and Optionholders is prohibited by any applicable laws and regulations or may only be effected upon compliance with conditions or requirements in such overseas jurisdictions that would be unduly burdensome, the Composite Document, subject to the Executive's consent, will not be despatched to such overseas Shareholders and Optionholders. The Offeror will apply for any waivers as may be required by the Executive pursuant to Note 3 to Rule 8 of the Takeovers Code as and when appropriate.

Any acceptance by the Independent Shareholders and Optionholders with a registered address in a jurisdiction outside Hong Kong will be deemed to constitute a representation and warranty from such overseas Independent Shareholders and Optionholders to the Offeror that the local laws and requirements have been complied with and such acceptance shall be valid and binding in accordance with all applicable laws and regulations. Such overseas Independent Shareholders and Optionholders should consult their respective professional advisers if in doubt.

DEALING AND INTERESTS IN THE COMPANY'S SECURITIES

Save for (i) the acquisition of an aggregate of 148,980,000 Shares by Mr. Zhou in open market during the period from 10 August 2023 to 14 August 2023 with highest price paid being HK\$0.032 per Share; (ii) the acquisition of the 1,729,440,000 Sale Shares by the Offeror under Sale and Purchase Agreement 1; and (iii) the acquisition of the 250,000,000 Sale Shares by Ms. Kong under Sale and Purchase Agreement 2, none of the Offeror, the ultimate beneficial owner of the Offeror (i.e. Mr. Zhou) nor the parties acting in concert with any of them (including Ms. Kong) has dealt for value in nor owned any Shares, options, derivatives, warrants or other securities convertible into Shares during the six-month period immediately prior to the commencement of the offer period on 9 October 2023 (as defined under the Takeovers Code) and up to and including the date of this joint announcement.

OTHER ARRANGEMENTS OR AGREEMENTS

As at the date of this joint announcement:

- (i) save for the Sale Shares acquired by the Offeror and Ms. Kong, and the 148,980,000 Shares held by Mr. Zhou, none of the Offeror, its ultimate beneficial owner and/or parties acting in concert with any of them holds, owns or has control or direction over any voting rights or rights over the Shares or convertible securities, options, warrants or derivatives in respect of such securities of the Company;

- (ii) there is no outstanding derivative in respect of the securities in the Company which is owned, controlled or directed by, or has been entered into by the Offeror, its ultimate beneficial owner and/or any person acting in concert with any of them;
- (iii) there is no arrangement (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Shares and which might be material to the Offers;
- (iv) save for the Sale and Purchase Agreements, there is no agreement or arrangement to which the Offeror is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a precondition or a condition to the Offers;
- (v) none of the Offeror, its ultimate beneficial owner and/or parties acting in concert with any of them has received any irrevocable commitment(s) to accept or reject the Offers;
- (vi) none of the Offeror, its ultimate beneficial owner and/or parties acting in concert with any of them has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (vii) there was no agreement, arrangement or understanding that any securities acquired in pursuance of the Offers would be transferred, charged or pledged to any other persons;
- (viii) save for the Sale and Purchase Agreements, there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Offeror, its ultimate beneficial owner and/or parties acting in concert with any of them on the one hand, and the Selling Shareholders and/or parties acting in concert with any one of them on the other hand;
- (ix) save for the Sale and Purchase Agreements, there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (i) any Shareholder; and (ii)(a) the Offeror, its ultimate beneficial owner and/or any party acting in concert with any of them or (ii)(b) the Company, its subsidiaries or associated companies;
- (x) save for the Consideration paid by (i) the Offeror to the Selling Shareholders under Sale and Purchase Agreement 1; and (ii) Ms. Kong to Fortune Round under Sale and Purchase Agreement 2, there is no other consideration, compensation or benefit in whatever form paid or to be paid by the Offeror, its ultimate beneficial owner or any parties acting in concert with any of them to the Selling Shareholders or any party acting in concert with any one of them in connection with the sale and purchase of the Sale Shares;

- (xi) save for the Sale and Purchase Agreements, there is no agreement, arrangement or understanding (including any compensation arrangement) between the Offeror, its ultimate beneficial owner or any person acting in concert with any of them and any of the Directors, recent directors of the Company, Shareholders or recent shareholders of the Company having any connection with or dependence upon the Offers; and
- (xii) no benefit (other than statutory compensation) was or would be given to any Director as compensation for loss of office or otherwise in connection with the Offers.

Independent Shareholders and Optionholders are reminded to read the recommendations of the Independent Board Committee and the advice of the Independent Financial Adviser in respect of the Offers and as to acceptance that will be included in the Composite Document before deciding whether or not to accept the Offers.

SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) immediately before Completion; and (ii) immediately following Completion and as at the date of this joint announcement and before the Offers:

Shareholders	Immediately before Completion		Immediately following Completion and as at the date of this joint announcement and before the Offers	
	<i>Number of Shares</i>	<i>Approximate % of issued Shares</i>	<i>Number of Shares</i>	<i>Approximate % of issued Shares</i>
The Offeror and parties acting in concert with it				
— The Offeror (<i>Note 1</i>)	—	—	1,729,440,000	65.42
— Mr. Zhou Feng	148,980,000	5.64	148,980,000	5.64
— Ms. Kong Yuen Man (<i>Note 2</i>)	—	—	250,000,000	9.46
Sub-total	148,980,000	5.64	2,128,420,000	80.52
Selling Shareholders				
— Fortune Round Limited (<i>Note 3</i>)	1,500,000,000	56.75	—	—
— Mr. Wong Man Wai (<i>Note 4</i>)	162,120,000	6.13	—	—
— Keenfull Investments Limited (<i>Note 5</i>)	317,320,000	12.00	—	—
Other public Shareholders	<u>514,940,000</u>	<u>19.48</u>	<u>514,940,000</u>	<u>19.48</u>
Total (<i>Note 6</i>)	<u><u>2,643,360,000</u></u>	<u><u>100.00</u></u>	<u><u>2,643,360,000</u></u>	<u><u>100.00</u></u>

Notes:

1. The Offeror is legally, beneficially and wholly owned by Mr. Zhou.
2. Ms. Kong is an Independent Third Party. As (i) Ms. Kong is not a director, chief executive or substantial shareholder of the Company or any of its subsidiaries or a close associate of any of them; (ii) the acquisition of the Shares by Ms. Kong has not been financed directly or indirectly by a person referred to in (i) above; and (iii) Ms. Kong is not accustomed to taking instructions from a person referred to in (i) above in relation to the acquisition, disposal, voting or other disposition of the Shares registered in her name or otherwise held by her, the 250,000,000 Shares held by Ms. Kong are regarded as Shares held by public Shareholders. Ms. Kong is a party acting in concert with the Offeror.
3. Fortune Round, a company incorporated in the British Virgin Islands, is legally, beneficially and wholly owned by Mr. Wong Man Wai.
4. Mr. Wong Man Wai is an executive Director, the chairman of the Board, the chief executive officer of the Company.
5. Keenfull Investments, a company incorporated in the British Virgin Islands, is legally, beneficially and wholly owned by Mr. Li Chi Keung. Mr. Li Chi Keung is the father of Ms. Li Wing Yin (spouse of Mr. Wong Man Wai) and the father-in-law of Mr. Wong Man Wai.
6. Save for Mr. Wong Man Wai who owned the Shares immediately before Completion as disclose in Note 4 above, none of the Directors owned any Shares immediately before and following Completion and as at the date of this joint announcement.
7. As at the date of this joint announcement, the Company has 60,000,000 outstanding Options with an exercise price of HK\$0.163 each, of which, (i) 20,000,000 outstanding Options are owned by Mr. Chan Chak To Raymond, being an executive Director; (ii) 20,000,000 outstanding Options are owned by Ms. Lam Wai Kwan, being an executive Director; and (iii) 20,000,000 outstanding Options are owned by an employee of the Company.
8. Certain percentage figures included in this table have been subject to rounding adjustments. Figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

INFORMATION ON THE GROUP

The Company is an exempt company incorporated in the Cayman Islands with limited liability on 19 August 2015. The Group is principally engaged in provision of casual dining food catering services in Hong Kong.

FINANCIAL INFORMATION OF THE GROUP

Set out below is a summary of the financial information of the Group for (i) each of the three financial years ended 31 March 2021, 2022 and 2023 as extracted from the annual reports of the Company for the years ended 31 March 2021, 2022 and 2023; and (ii) the three months ended 30 June 2023 as extracted from the first quarterly report of the Company for the three months ended 30 June 2023:

	For the year ended 31 March			For the three months ended 30 June 2022	For the three months ended 30 June 2023
	2021	2022	2023	2022	2023
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
	(Audited)	(Audited)	(Audited)	(Unaudited)	(Unaudited)
Revenue	42,707	36,206	29,744	7,295	6,833
Loss and total comprehensive loss for the year/period attributable to owners of the Company	(4,098)	(10,178)	(22,002)	(2,679)	(4,731)

As disclosed in the annual report of the Company for the year ended 31 March 2023, the audited consolidated net assets of the Company as at 31 March 2023 was approximately HK\$21.0 million.

INFORMATION ON THE OFFEROR

The Offeror is a company incorporated in the British Virgin Islands with limited liability on 11 July 2023 for the purpose of holding the Shares. As at the date of this joint announcement, the Offeror is legally, beneficially and wholly owned by Mr. Zhou who is also the sole director of the Offeror.

Mr. Zhou, aged 53, is the sole legal and beneficial owner and the sole director of the Offeror. He completed his studies in architectural engineering (建築工程) at the Anhui Institute of Architecture and Industry* (安徽建築工業學院) (currently known as Anhui Jianzhu University (安徽建築大學)) in the People's Republic of China in July 1990. Mr. Zhou has extensive experience in management, marketing and corporate planning. He had served in a number of companies, including Fujian Wanghe Food Co., Ltd.* (福建旺禾食品有限公司) as the deputy chairman of the board of directors and Beijing Jinmifang Technology Co., Ltd.* (北京今米房科技有限公司) as the chairman of the board of directors. Currently, he is the chairman of the board of directors of Nanjing Runhuang

Liquor Co., Ltd.* (南京潤皇酒業有限公司), a company principally engaged in sales of liquor, and he is mainly responsible for overseeing the company's operation, strategic planning and formulating business models as well as development and investment plans.

The Offeror and its ultimate beneficial owner were Independent Third Parties prior to completion of Sale and Purchase Agreement 1.

Immediately before Completion, Mr. Zhou held 148,980,000 Shares. Immediately after Completion and as at the date of this joint announcement, none of the Offeror, its ultimate beneficial owner, its director (being Mr. Zhou) and the parties acting in concert with any of them hold any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company, save for (i) the 148,980,000 Shares which Mr. Zhou holds; (ii) the 1,729,440,000 Sale Shares which the Offeror holds; and (iii) the 250,000,000 Sale Shares which Ms. Kong holds.

INFORMATION ON MS. KONG

Ms. Kong is a member of The Hong Kong Institution of Engineers and has more than 15 years of work experience in the engineering field. She works at a transport company in Hong Kong, responsible for supervising construction projects, and holds a degree of master of engineering in mechanical engineering.

Ms. Kong has over 15 years of experience in trading in listed securities in Hong Kong. Immediately before Completion, Ms. Kong did not hold any interest in Shares. She was invited by Mr. Zhou (being the ultimate beneficial owner of the Offeror, the purchaser under Sale and Purchase Agreement 1 and a friend of Ms. Kong) to invest in the Company. While Mr. Zhou intended to acquire a controlling stake in the Company, he had no intention to acquire all the Shares held by the Selling Shareholders immediately prior to entering into the Sale and Purchase Agreements and believed that Ms. Kong had sufficient financial resources to acquire some of the Shares. Having considered the discount of the consideration per Sale Share to the then market price of the Shares and the potential capital appreciation of the Shares, Ms. Kong entered into Sale and Purchase Agreement 2 for the acquisition of 250,000,000 Sale Shares as a passive investor. Immediately after Completion and as at the date of this joint announcement, Ms. Kong holds 250,000,000 Shares.

Save as disclosed above, Ms. Kong does not have any relationship with the Offeror and/or its ultimate beneficial owner and is an Independent Third Party. Ms. Kong does not have intention to be a director of the Company.

THE OFFEROR'S INTENTION ON THE GROUP

Following the close of the Offers, it is the intention of the Offeror that the Group will continue with its existing principal business. The Offeror does not intend to introduce any major changes to the existing operations and business of the Group immediately after close of the Offers and will neither redeploy nor dispose of any of the assets (including fixed assets) of the Group other than in the ordinary course of business.

Nevertheless, following the close of the Offers, the Offeror will conduct a detailed review on the existing principal operations and business, and the financial position of the Group for the purpose of formulating business plans and strategies for the Group's long-term business development and will explore other business opportunities for the Group. Subject to the results of the review, and should suitable investment or business opportunities arise, the Offeror may consider whether any assets and/or business acquisitions or disposals by the Group will be appropriate in order to enhance its growth. Any acquisition or disposal of the assets or business of the Group, if any, will be in compliance with the GEM Listing Rules.

As at the date of this joint announcement, no investment or business opportunity has been identified nor has the Offeror entered into any agreement, arrangement, understanding or negotiation in relation to the injection of any assets or business into the Group.

Save for the proposed change(s) to the composition of the Board as mentioned below, the Offeror has no plan to terminate the employment of any other employees or other personnel of the Group. However, the Offeror reserves the right to make any changes that they deem necessary or appropriate to the benefit of the Group.

PROPOSED CHANGE TO THE BOARD COMPOSITION OF THE COMPANY

As at the date of this joint announcement, the Board comprises Mr. Wong Man Wai, Mr. Chan Chak To Raymond and Ms. Lam Wai Kwan as executive Directors; and Mr. Ma Yiu Ho Peter, Mr. Cai Chun Fai and Mr. Ng Sai Cheong as independent non-executive Directors.

It is intended that all of the existing Directors (save for Mr. Wong Man Wai), will resign from the Board taking effect no earlier than the publication of the closing announcement on the first closing date of the Offers or at the earliest time permitted under the Takeovers Code.

The Offeror intends to nominate new Directors to the Board to facilitate the business operation, management and strategy of the Group with effect from the date immediately after the date on which the Composite Document is posted or such other date as permitted under the Takeovers Code. Details of the new Directors will be disclosed in the Composite Document.

Any changes to the members of the Board will be made in compliance with the Takeovers Code and the GEM Listing Rules.

PUBLIC FLOAT AND MAINTENANCE OF THE LISTING STATUS OF THE COMPANY

The Offeror intends to maintain the listing of the Shares on the Stock Exchange. Each of the Company, the Directors, the Offeror, the sole director of the Offeror and the new Directors to be appointed will undertake to the Stock Exchange to take appropriate steps to ensure that not less than 25% of the issued share capital of the Company will continue to be held by the public at all material times.

The Stock Exchange has stated that if, at the close of the Offers, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public, or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the Shares; or
- (ii) there are insufficient Shares in public hands to maintain an orderly market,

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

Therefore, it should be noted that upon close of the Offers, there may be insufficient public float of the Shares and the trading in the Shares may be suspended until sufficient public float exists for the Shares.

The Company will make an application to the Stock Exchange for a temporary waiver from strict compliance with Rule 11.23(7) of the GEM Listing Rules in case less than 25% of the issued share capital of the Company will be held by the public upon the close of the Offers. Appropriate steps will be taken to ensure public float will be restored as soon as possible after the close of the Offers. The steps that the Offeror may take include but not limited to (i) placing down or selling sufficient number of accepted Shares it acquired from the Share Offer to selected independent third parties or in the market; and/or (ii) issue of additional Shares by the Company for this purpose.

Further announcement(s) regarding the restoration of public float will be made by the Company as and when appropriate.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 2.1 of the Takeovers Code, a board which receives an offer, or is approached with a view to an offer being made, must, in the interests of shareholders, establish an independent committee of the board to make a recommendation (i) as to whether the offer is, or is not, fair and reasonable; and (ii) as to acceptance.

The Independent Board Committee, comprising all of the three independent non-executive Directors, namely Mr. Ma Yiu Ho Peter, Mr. Cai Chun Fai and Mr. Ng Sai Cheong, has been established to advise the Independent Shareholders as to whether the Share Offer is, or is not, fair and reasonable and to give a recommendation as to acceptance of the Share Offer, and to advise the Optionholders as to whether the Option Offer is, or is not, fair and reasonable and to give a recommendation as to acceptance of the Option Offer.

Ample Capital has been appointed as the independent financial adviser to advise the Independent Board Committee, the Independent Shareholders and the Optionholders in connection with the Offers and in particular as to whether the Offers are, or are not, fair and reasonable and as to their acceptance. The appointment of the Independent Financial Adviser has been approved by the Independent Board Committee.

DESPATCH OF COMPOSITE DOCUMENT

It is the intention of the Offeror and the Board to combine the offer document and the offeree board circular into the Composite Document. Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document in connection with the Offers setting out, among other things, (i) details of the Offers (including the expected timetable and the terms of the Offers); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders and the Optionholders in respect of the Offers; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee, the Independent Shareholders and the Optionholders in respect of the Offers, together with the Forms of Acceptance, will be despatched jointly by the Offeror and the Company to the Shareholders and the Optionholders as soon as practicable and no later than 21 days after the date of this joint announcement unless the Executive grants a consent for extension. It is expected that the Composite Document will be despatched on or before 30 October 2023.

Further announcement(s) regarding the despatch of the Composite Document will be made by the Offeror and the Company as and when appropriate.

DISCLOSURE OF DEALINGS

In accordance with Rule 3.8 of the Takeovers Code, associates of the Company and the Offeror (including persons who own or control 5% or more of any class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company and the Offeror) are hereby reminded to disclose their dealings in the securities of the Company pursuant to the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on GEM of the Stock Exchange has been suspended with effect from 9:00 a.m. on Tuesday, 3 October 2023 pending publication of this joint announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on Tuesday, 10 October 2023.

WARNING

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

Shareholders, Optionholders and/or potential investors should exercise caution when dealing in the Shares, exercising the Options or other rights in respect of any of them. If the Shareholders, Optionholders and potential investors are in any doubt about their position, they should consult their professional advisers.

DEFINITIONS

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

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“associate(s)”	has the meaning ascribed to it under the Takeovers Code
“Board”	the board of Directors
“close associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Company”	Royal Group Holdings International Company Limited (皇璽集團控股國際有限公司), a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM of the Stock Exchange (stock code: 8300)
“Completion”	(i) completion of the sale and purchase of the 1,729,440,000 Sale Shares in accordance with the terms and conditions of Sale and Purchase Agreement 1, which took place immediately after the entering into of Sale and Purchase Agreement 1 by the Offeror and the Selling Shareholders on the Completion Date; and (ii) completion of the sale and purchase of the 250,000,000 Sale Shares in accordance with the terms and conditions of Sale and Purchase Agreement 2, which took place immediately after the entering into of Sale and Purchase Agreement 2 by Ms. Kong and Fortune Round on the Completion Date

“Completion Date”	3 October 2023
“Composite Document”	the composite offer and response document to be jointly issued by the Offeror and the Company in connection with the Offers in accordance with the Takeovers Code
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Consideration”	(i) the purchase price for the sale and purchase of the 1,729,440,000 Sale Shares under Sale and Purchase Agreement 1 (being HK\$55,342,080); and (ii) the purchase price for the sale and purchase of the 250,000,000 Sale Shares under Sale and Purchase Agreement 2 (being HK\$8,000,000)
“Director(s)”	the director(s) of the Company
“Encumbrances”	any lien, pledge, encumbrance, charge (fixed or floating), mortgage, third party claim, debenture, option, right of pre-emption, right to acquire, assignment by way of security, trust arrangement for the purpose of providing security or other security interests of any kind, including retention arrangements or other encumbrances and any agreement to create any of the foregoing
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Form(s) of Acceptance”	the WHITE form of acceptance and transfer of Shares in respect of the Share Offer and the PINK form of acceptance and cancellation of all outstanding Options in respect of the Option Offer
“Fortune Round”	Fortune Round Limited, a company incorporated in the British Virgin Islands, which is legally, beneficially and wholly owned by Mr. Wong. Fortune Round is one of the Selling Shareholders
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent board committee of the Board (comprising all of the three independent non-executive Directors, namely Mr. Ma Yiu Ho Peter, Mr. Cai Chun Fai and Mr. Ng Sai Cheong) which has been established to advise the Independent Shareholders and the Optionholders in connection with the Offers and as to the acceptance of the Offers
“Independent Financial Adviser” or “Ample Capital”	Ample Capital Limited, a corporation licensed by the SFC to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee, the Independent Shareholders and the Optionholders in connection with the Offers
“Independent Shareholder(s)”	Shareholder(s) other than the Offeror and parties acting in concert with it (including Mr. Zhou and Ms. Kong)
“Independent Third Party(ies)”	party(ies) independent of and not connected with the Company and its connected persons
“Keenfull Investments”	Keenfull Investments Limited, a company incorporated in the British Virgin Islands, which is legally, beneficially and wholly owned by Mr. Li Chi Keung who is the father of Ms. Li Wing Yin (spouse of Mr. Wong) and the father-in-law of Mr. Wong. Keenfull Investments is one of the Selling Shareholders
“Last Trading Day”	29 September 2023, being the last trading day of the Shares on GEM of the Stock Exchange immediately prior to the suspension of trading in the Shares pending the publication of this joint announcement

“Mr. Wong” or “Mr. Wong Man Wai”	Mr. Wong Man Wai, an executive Director, the chairman of the Board, the chief executive officer of the Company, and one of the Selling Shareholders
“Mr. Zhou”	Mr. Zhou Feng, the sole legal and beneficial owner and the sole director of the Offeror
“Ms. Kong”	Ms. Kong Yuen Man, a party acting in concert with the Offeror
“Offer Price”	the price of HK\$0.032 per Offer Share at which the Share Offer will be made in cash
“Offer Share(s)”	all of the issued Share(s), other than those already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it
“Offeror”	Sky Shield Investment Limited (天盾投資有限公司), a company incorporated in the British Virgin Islands with limited liability, which is legally, beneficially and wholly owned by Mr. Zhou
“Offers”	the Share Offer and the Option Offer
“Option(s)”	share option(s) granted by the Company pursuant to the Share Option Scheme, whether vested or not
“Optionholder(s)”	the holder(s) of the Options
“Option Offer”	the proposal to be made by Sorrento Securities for and on behalf of the Offeror in compliance with Rule 13 of the Takeovers Code to cancel all outstanding Options in accordance with the terms and conditions set out in this joint announcement
“Sale and Purchase Agreement 1”	the sale and purchase agreement dated 29 September 2023 entered into between the Offeror and the Selling Shareholders in relation to the sale and purchase of the 1,729,440,000 Sale Shares

“Sale and Purchase Agreement 2”	the sale and purchase agreement dated 29 September 2023 entered into between Ms. Kong and Fortune Round in relation to the sale and purchase of the 250,000,000 Sale Shares
“Sale and Purchase Agreements”	Sale and Purchase Agreement 1 and Sale and Purchase Agreement 2
“Sale Share(s)”	an aggregate of 1,979,440,000 Shares sold pursuant to the Sale and Purchase Agreements, representing approximately 74.88% of the total number of issued Shares as at the date of this joint announcement, comprising (i) an aggregate of 1,729,440,000 Shares sold by the Selling Shareholders to the Offeror pursuant to Sale and Purchase Agreement 1, representing approximately 65.42% of the total number of issued Shares as at the date of this joint announcement; and (ii) 250,000,000 Shares sold by Fortune Round to Ms. Kong pursuant to Sale and Purchase Agreement 2, representing approximately 9.46% of the total number of issued Shares as at the date of this joint announcement
“Selling Shareholders”	Fortune Round, Mr. Wong and Keenfull Investments, who held approximately 56.75%, 6.13% and 12.00%, respectively, of the total number of issued Shares immediately before Completion. Immediately after Completion and as at the date of this joint announcement, the Selling Shareholders ceased to hold any issued Share. As at the date of this joint announcement, none of the Selling Shareholders were an Optionholder
“Share Offer”	the mandatory unconditional cash offer to be made by Sorrento Securities for and on behalf of the Offeror to acquire all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it) pursuant to Rule 26.1 of the Takeovers Code
“Share Option Scheme”	the share option scheme adopted by the Company on 21 July 2016, as amended from time to time
“SFC”	the Securities and Futures Commission of Hong Kong

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Sorrento Capital”	Sorrento Capital Limited, a corporation licensed by the SFC to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the financial adviser to the Offeror in respect of the Offers
“Sorrento Securities”	Sorrento Securities Limited, a corporation licensed by the SFC to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO, being the agent making the Offers for and on behalf of the Offeror
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent

By order of the Board
SKY SHIELD INVESTMENT LIMITED
 天盾投資有限公司
Zhou Feng
Sole Director

By order of the Board
ROYAL GROUP HOLDINGS
INTERNATIONAL COMPANY LIMITED
 皇璽集團控股國際有限公司
Wong Man Wai
*Chairman, Chief Executive Officer and
 Executive Director*

Hong Kong, 9 October 2023

As at the date of this joint announcement, the executive Directors are Mr. Wong Man Wai, Mr. Chan Chak To Raymond and Ms. Lam Wai Kwan; and the independent non-executive Directors are Mr. Ma Yiu Ho Peter, Mr. Cai Chun Fai and Mr. Ng Sai Cheong.

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

As at the date of this joint announcement, Mr. Zhou Feng is the sole director of the Offeror.

The sole director of the Offeror (being Mr. Zhou Feng) accepts full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Group and the Selling Shareholders), and confirms, having made all reasonable enquires, that to the best of his knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statement in this joint announcement misleading.

This joint announcement will remain on the “Latest Listed Company Information” page of the Stock Exchange website at www.hkexnews.hk for at least seven days from the day of its publication. This joint announcement will also be published on the Company’s website at www.hkrcg.com.

The English text of this joint announcement shall prevail over its Chinese text.