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**Smart Excel Group Limited**

*(incorporated in the British Virgin Islands with limited liability)*

**Milestone Builder Holdings Limited**

**進階發展集團有限公司**

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

(Stock Code: 1667)

**JOINT ANNOUNCEMENT**

- (1) SALE AND PURCHASE AGREEMENT IN RELATION TO THE SALE AND PURCHASE OF SHARES IN MILESTONE BUILDER HOLDINGS LIMITED;**  
**(2) MANDATORY UNCONDITIONAL CASH OFFER BY CIS SECURITIES ASSET MANAGEMENT LIMITED FOR AND ON BEHALF OF SMART EXCEL GROUP LIMITED TO ACQUIRE ALL THE ISSUED SHARES IN MILESTONE BUILDER HOLDINGS LIMITED (OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY SMART EXCEL GROUP LIMITED AND PARTIES ACTING IN CONCERT WITH IT); AND**  
**(3) RESUMPTION OF TRADING**

Financial adviser to the Company



Joint financial advisers to the Offeror



Grand Harbour Corporate Finance Limited

Offer agent to the Offeror



Independent financial adviser to the Independent Board Committee



## **INTRODUCTION**

The Company was informed by the Vendors that on 15 October 2020, the Offeror as the purchaser and the Vendors as the vendors entered into the Sale and Purchase Agreement, pursuant to which the Offeror has agreed to purchase, and the Vendors have agreed to sell, an aggregate of 594,600,000 Shares (i.e. the Sale Shares), representing approximately 61.94% of the total issued share capital of the Company as at the date of this joint announcement for a total cash consideration of HK\$167,231,250, equivalent to HK\$0.28125 per Sale Share, which was agreed between the Offeror and the Vendors after arm's length negotiations with reference to, amongst other things, the prevailing market prices of the Company. Details of the Sale and Purchase Agreement are set out in the section headed "The Sale and Purchase Agreement" below in this joint announcement.

Completion of the Sale and Purchase Agreement took place immediately upon the signing of the Sale and Purchase Agreement on 15 October 2020 and the Consideration was fully settled by way of cash on the same day, resulting in the Offeror being interested in 689,600,000 Shares, representing approximately 71.83% of the total issued share capital of the Company as at the date of this joint announcement, and incurring an obligation for the Offeror to make the Offer under the Takeovers Code. The Offeror and parties acting in concert with it are in aggregate interested in a total of 689,600,000 Shares, representing approximately 71.83% of the total issued share capital of the Company as at the date of this joint announcement. Details of the Offer are set out under the section headed "Principal terms of the Offer" below in this joint announcement.

## **THE SALE AND PURCHASE AGREEMENT**

Pursuant to the Sale and Purchase Agreement, the Offeror has agreed to purchase, and the Vendors have agreed to sell, the Sale Shares, representing approximately 61.94% of the total issued share capital of the Company. Completion of the Sale and Purchase Agreement took place immediately upon the signing of the Sale and Purchase Agreement on 15 October 2020. Immediately following the Completion, the Vendors ceased to have any interest in Shares of the Company.

## **MANDATORY UNCONDITIONAL CASH OFFER**

Immediately prior to Completion, the Offeror holds 95,000,000 Shares, representing approximately 9.90% of the total issued share capital of the Company as at the date of this joint announcement. Immediately following Completion and as at the date of this joint announcement, the Offeror and parties acting in concert with it are in aggregate interested in a total of 689,600,000 Shares, representing approximately 71.83% of the total issued share capital of the Company as at the date of this joint announcement.

Pursuant to Rule 26.1 of the Takeovers Code, upon Completion, the Offeror incurred an obligation to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it).

## **PRINCIPAL TERMS OF THE OFFER**

### **The Offer**

CIS Securities will, for and on behalf of the Offeror and in compliance with the Takeovers Code, make the Offer to acquire all the Offer Shares on terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code.

For each Offer Share . . . . . HK\$0.28125 in cash

The Offer Price of HK\$0.28125 per Offer Share under the Offer is the same as the purchase price per Sale Share payable by the Offeror under the Sale and Purchase Agreement.

The Offer will be unconditional in all respects when made.

### **Value of the Offer**

As at the date of this joint announcement, there were 960,000,000 Shares in issue. On the basis of the Offer Price of HK\$0.28125 per Offer Share, the entire issued share capital of the Company is valued at HK\$270,000,000. On the basis that there are 270,400,000 Shares subject to the Offer and assuming there is no change in the number of issued Shares before the close of the Offer, the value of the Offer is HK\$76,050,000.

### **Confirmation of financial resources available for the Offer**

The Offeror intends to finance the entire consideration payable under the Offer through the Loan Facility provided by CIS Finance and internal resources of the Offeror.

Ample Capital and Grand Harbour, being the joint financial advisers to the Offeror, are satisfied that sufficient financial resources are available to the Offeror to satisfy the total consideration payable by the Offeror upon full acceptance of the Offer.

## **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee comprising all independent non-executive Directors who have no direct or indirect interest in the Offer, namely Mr. Keung Kwok Hung, Ms. Lau Suk Han Loretta, Mr. Wong Chun Tai and Mr. Fong Man Fu Eric, has been established in accordance with Rule 2.1 and Rule 2.8 of the Takeovers Code to advise and give a recommendation to the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer.

With the approval by the Independent Board Committee, Merdeka Corporate Finance has been appointed by the Company to act as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Offer, in particular as to whether the Offer is, or is not, fair and reasonable and as to the acceptance of the Offer.

## **DESPATCH OF THE COMPOSITE DOCUMENT**

It is the intention of the Offeror and the Company to combine the offer document and the offeree board circular in the Composite Document to be posted.

Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document setting out, among others, (i) further details of the Offer; (ii) the recommendation from the Independent Board Committee in respect of the Offer; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee in respect of the Offer; and (iv) the relevant form(s) of acceptance, is required to be despatched to the Shareholders within 21 days after the date of this joint announcement or such later date as the Executive may consent to.

The Independent Shareholders are encouraged to read the Composite Document carefully, including the advice of the Independent Financial Adviser to the Independent Board Committee and the recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Offer, before deciding whether or not to accept the Offer.

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 15 October 2020 pending the 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 30 October 2020.

## **WARNING**

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

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.**

## **INTRODUCTION**

The Company was informed by the Vendors that on 15 October 2020, the Offeror as the purchaser, the Vendors as the vendors, entered into the Sale and Purchase Agreement, pursuant to which the Offeror has agreed to purchase, and the Vendors have agreed to sell, an aggregate of 594,600,000 Shares (i.e. the Sale Shares), representing approximately 61.94% of the total issued share capital of the Company as at the date of this joint announcement for a total cash consideration of HK\$167,231,250, equivalent to approximately HK\$0.28125 per Sale Share, which was agreed between the Offeror and the Vendors after arm's length negotiations.

Completion of the Sale and Purchase Agreement took place immediately upon the signing of the Sale and Purchase Agreement, and the Consideration was fully settled by way of cash on the same day, resulting in the Offeror being interested in 689,600,000 Shares, representing approximately 71.83% of the total issued share capital of the Company as at the date of this joint announcement, and incurring an obligation for the Offeror to make the Offer under the Takeovers Code. The Offeror and parties acting in concert with it are in aggregate interested in a total of 689,600,000 Shares, representing approximately 71.83% of the total issued share capital of the Company as at the date of this joint announcement. Details of the Offer are set out under the section headed "Principal terms of the Offer" below in this joint announcement.

## **THE SALE AND PURCHASE AGREEMENT**

Date: 15 October 2020

Parties: (i) Smart Excel Group Limited as the purchaser; and  
(ii) Mr. KF Leung, Mr. Lam and Mr. Aaron Leung as the vendors.

For further details of the Offeror, please refer to the section headed "Information on the Offeror" in this joint announcement.

### **Subject of the Sale and Purchase Agreement**

Pursuant to the Sale and Purchase Agreement, the Offeror has agreed to purchase, and the Vendors have agreed to sell, an aggregate of 594,600,000 Shares (as to 285,660,000 Shares by Mr. KF Leung, 285,660,000 Shares by Mr. Lam and 23,280,000 Shares by Mr. Aaron Leung) (i.e. the Sale Shares), representing approximately 61.94% of the total issued share capital of the Company as at the date of this joint announcement. The Sale Shares were acquired by the Offeror free from any encumbrance and together with all rights attached and accrued to them at the date of Completion including all rights to any dividend or other distribution declared, made or paid on or after the date of the Completion. No dividend was declared but not paid on the date of Completion.

## **Consideration**

The aggregate consideration payable by the Offeror to the Vendors in respect of the Sale Shares shall be HK\$167,231,250 (as to HK\$80,341,875 to Mr. KF Leung, as to HK\$80,341,875 to Mr. Lam and as to HK\$6,547,500 to Mr. Aaron Leung), equivalent to HK\$0.28125 per Sale Share, which was agreed between the Offeror and the Vendors after arm's length negotiations with reference to, amongst other things, the prevailing market prices of the Company.

The Consideration was paid by the Offeror to the Vendors by way of cash on the date of the Completion i.e. 15 October 2020.

## **Conditions precedent to the Sale and Purchase Agreement**

The Sale and Purchase Agreement is unconditional.

## **Completion**

Completion took place immediately upon the signing of the Sale and Purchase Agreement on 15 October 2020. Immediately following the Completion, the Vendors ceased to have any interest in Shares of the Company.

## **The Milestone Builder Engineering New Loan Agreement**

Pursuant to the terms of the Sale and Purchase Agreement, upon Completion, the Vendors as lenders and Milestone Builder Engineering as borrower have entered into the Milestone Builder Engineering New Loan Agreement. As set out in the Milestone Builder Engineering New Loan Agreement, the Vendors shall provide an interest-free and collateral-free loan facility of up to HK\$120 million (as to HK\$57,650,858 by Mr. KF Leung, as to HK\$57,650,858 by Mr. Lam and as to HK\$4,698,284 by Mr. Aaron Leung) to Milestone Builder Engineering for an initial term of two years from the date of the Milestone Builder Engineering New Loan Agreement. Milestone Builder Engineering shall have a right to extend the above repayment date for one year by serving not less than one month's notice in writing to the Vendors. The Vendors did not require anything in return for agreeing to grant the loan facility in the amount of HK\$120 million to Milestone Builder Engineering. Although the Vendors are no longer shareholders of the Company, they have agreed to grant such loan facility for no interest and without any security because as founders of the Group who have invested a lot of time and effort in the development of the businesses of the Group, the continued success of the Group is important for the Vendors. Following Completion, the Vendors will remain as directors and/or senior management of the subsidiaries of the Group to ensure that the day to day business of the Group will not be affected by the change in control of the Company. The said loans shall be repayable in one lump sum on the repayment date. Milestone Builder Engineering may early repay part or all of the said loan from the date falling six months after the completion of the Offer in whole multiple of HK\$1,000,000. The first tranche of the loan in the principal amount of HK\$80 million has been drawn by Milestone Builder Engineering upon Completion. The second tranche of the loan in the principal amount of HK\$40 million shall be drawable in multiple advances within a period of three months from the date of the Milestone Builder Engineering New Loan Agreement. The first tranche of such loan shall be utilised by

Milestone Builder Engineering for the purpose of repayment of existing bank loan facilities of the Group and the second tranche of such loan shall be utilised by Milestone Builder Engineering for the purpose of the general working capital of the Group. The creditors of the existing loan facilities are not Shareholders.

### **The CIS Finance Loan Agreement**

On 21 August 2019, CIS Finance as lender have entered into the CIS Finance Loan Agreement with Mr. KF Leung and Mr. Lam as borrowers, pursuant to which CIS Finance granted an unsecured interest bearing loan in the principal amount of HK\$25,000,000 at the interest rate of 16% per annum for an initial term of six (6) calendar months from the date of drawdown, extendable for six (6) months at the discretion of Mr. KF Leung and Mr. Lam. Mr. KF Leung and Mr. Lam made a drawdown on such loan on 21 August 2019. Such loan was repayable in one lump sum on the repayment date i.e. 21 February 2020. Mr. KF Leung and Mr. Lam extended such loan for six (6) months to 21 August 2020 pursuant to the terms of the CIS Finance Loan Agreement. On 13 August 2020, Mr. KF Leung and Mr. Lam entered into an extension letter with CIS Finance to further extend the repayment date of the loan to 21 November 2020, as Mr. KF Leung and Mr. Lam needed additional time to secure financing for repayment of the said loan. Mr. KF Leung and Mr. Lam intend to repay such loan on 21 November 2020 by using part of the proceeds from the sale of the Sale Shares. The proceeds of such loan were used to finance the loans under the Popsible Development Loan Agreements. As at 23 October 2020, the total outstanding amount of the loan (including the principal amount and accrued interest) owing by Mr. KF Leung and Mr. Lam to CIS Finance under the CIS Finance Loan Agreement was approximately HK\$25,333,332.

### **MANDATORY UNCONDITIONAL CASH OFFER**

Immediately prior to Completion, the Offeror holds 95,000,000 Shares, representing approximately 9.90% of the total issued share capital of the Company as at the date of this joint announcement. Immediately following the Completion and as at the date of this joint announcement, the Offeror and parties acting in concert with it are in aggregate interested in a total of 689,600,000 Shares, representing approximately 71.83% of the total issued share capital of the Company as at the date of this joint announcement.

Pursuant to Rule 26.1 of the Takeovers Code, upon Completion, the Offeror incurred an obligation to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it).

### **Securities of the Company**

As at the date of this joint announcement, the Company has 960,000,000 Shares in issue. The Company does not have any outstanding options, warrants, derivatives or other securities that are convertible or exchangeable into Shares or other relevant securities in the Company (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date of this joint announcement.



## **Principal terms of the Offer**

CIS Securities will, for and on behalf of the Offeror and in compliance with the Takeovers Code, make the Offer to acquire all the Offer Shares on terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code.

### **The Offer**

For each Offer Share . . . . .HK\$0.28125 in cash

The Offer Price of HK\$0.28125 per Offer Share under the Offer is the same as the purchase price per Sale Share payable by the Offeror under the Sale and Purchase Agreement.

The Offer will be unconditional in all respects when made.

### **Comparison of value**

The Offer Price of HK\$0.28125 per Offer Share represents:

- (i) a discount of approximately 3.02% to the closing price of HK\$0.29 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 7.76% over the average closing price of approximately HK\$0.261 per Share based on the daily closing prices as quoted on the Stock Exchange for the last 5 consecutive trading days immediately prior to and including the Last Trading Day;
- (iii) a premium of approximately 11.61% over the average closing price of approximately HK\$0.252 per Share based on the daily closing prices as quoted on the Stock Exchange for the last 10 consecutive trading days immediately prior to and including the Last Trading Day;
- (iv) a premium of approximately 39.23% over the average closing price of approximately HK\$0.202 per Share based on the daily closing prices as quoted on the Stock Exchange for the last 30 consecutive trading days immediately prior to and including the Last Trading Day; and
- (v) a premium of approximately 116.35% over the audited consolidated net asset value attributable to the owners of the Company of approximately HK\$0.130 per Share (based on the total number of issued Shares as at the date of this joint announcement) as at 31 March 2020 as set out in the annual report of the Company for the year ended 31 March 2020.

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

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the six months period immediately preceding the Last Trading Day and up to and including the Last Trading Day were HK\$0.29 per Share (on 14 October 2020) and HK\$0.095 per Share (on 24 July 2020 and 27 July 2020) respectively.



## **Payment**

Payment in cash in respect of acceptances of the Offer will be made as soon as possible but in any event within seven business days (as defined in the Takeovers Code) of the date on which the duly completed acceptances of the Offer and the relevant documents of title in respect of such acceptances are received by the Offeror (or its agent) to render each such acceptance complete and valid.

## **Value of the Offer**

As at the date of this joint announcement, the Company has 960,000,000 Shares in issue. On the basis of the Offer Price of HK\$0.28125 per Offer Share, the entire issued share capital of the Company is valued at HK\$270,000,000. On the basis that there are 270,400,000 Shares subject to the Offer and assuming there is no change in the number of issued Shares before the close of the Offer, the value of the Offer is HK\$76,050,000.

## **Confirmation of financial resources available for the Offer**

The Offeror intends to finance the entire consideration payable under the Offer through the Loan Facility provided by CIS Finance and internal resources of the Offeror.

Ample Capital and Grand Harbour, being the joint financial advisers to the Offeror, are satisfied that sufficient financial resources are available to the Offeror to satisfy the total consideration payable by the Offeror upon full acceptance of the Offer.

## **Effect of accepting the Offer**

By accepting the Offer, the Independent Shareholders will sell their Shares to the Offeror 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 Offer is made, being the date of the Composite Document. The Company has not declared any dividend and the Company does not intend to declare, make or pay any dividend prior to close of the Offer.

Acceptance of the Offer by any Independent Shareholder will be deemed to constitute a warranty by such person that all Shares sold by such person under the Offer are free from all encumbrances whatsoever together with all rights attached thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made.

Acceptances of the Offer shall be irrevocable and not capable of being withdrawn, except as otherwise permitted under the Takeovers Code.

## **Hong Kong stamp duty**

The seller's Hong Kong ad valorem stamp duty arising in connection with acceptance of the Offer at a rate of 0.1% of the consideration payable in respect of the relevant acceptances or, if higher, the market value of the Offer Shares subject to such acceptance, will be deducted from the amounts payable to Independent Shareholders who accept the Offer. The Offeror will arrange for payment of the seller's ad

valorem stamp duty on behalf of the Independent Shareholders who accept the Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Offer and the transfers of the relevant Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

### **Overseas Shareholders**

The availability of the Offer to any Overseas Shareholders may be affected by the applicable laws and regulations of their relevant jurisdictions of residence. Overseas Shareholders should obtain information about and observe any applicable legal and regulatory requirements and, where necessary, consult their own professional advisers and/or seek legal advice. It is the responsibilities of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdiction in connection with the acceptance of the Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Overseas Shareholders in respect of such jurisdiction).

Acceptance of the Offer by any Overseas Shareholder will be deemed to constitute a representation and warranty from such Overseas Shareholder to the Offeror that the local laws and requirements have been complied with. The Overseas Shareholders should consult their professional advisers if in doubt.

### **Taxation advice**

Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, parties acting in concert with the Offeror, the Company, CIS Securities, Ample Capital, Grand Harbour, Alpha Financial, Merdeka Corporate Finance and their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

### **DEALING AND INTERESTS IN THE COMPANY'S SECURITIES**

The Offeror subscribed for 95,000,000 Placing Shares under the Placing on 20 August 2020 at the placing price of HK\$0.125 per Placing Share. Save for the Placing Shares under the Placing and the Sale Shares under the Sale and Purchase Agreement, none of the Offeror or parties acting in concert with it has dealt in nor owned any Share or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the six (6) months period prior to the commencement of the offer period (as defined under the Takeovers Code) (i.e. 29 April 2020) and up to and including the date of this joint announcement.

The Offeror confirms that as at the date of this joint announcement,

- (i) save for the 95,000,000 Placing Shares and the Sale Shares held by the Offeror, none of the Offeror and parties acting in concert with it holds, owns or has control or direction over any voting rights or rights over any Shares, convertible securities, warranties or options of the Company or any derivatives in respect of such securities;
- (ii) there is no outstanding derivative in respect of 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 it;
- (iii) save for the subscription of the 95,000,000 Placing Shares and the purchase of the Sale Shares pursuant to the Sale and Purchase Agreement, none of the Offeror, nor any person acting in concert with it has dealt for value in any Shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities in the six months prior and up to the date of this joint announcement;
- (iv) none of the Offeror and parties acting in concert with it has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company;
- (v) save for the pledge of the Offer Shares under the terms of the Loan Facility Agreement, there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Shares which might be material to the Offer;
- (vi) save for the Sale and Purchase Agreement, there is no agreement or arrangement to which the Offeror, its ultimate beneficial owner or parties acting in concert with it is a party which relates to circumstances in which they may or may not invoke or seek to invoke a pre-condition or a condition to the Offer;
- (vii) none of the Offeror and/or parties acting in concert with it has received any irrevocable commitment(s) to accept or reject the Offer;
- (viii) there are no conditions to which the Offer is subject;
- (ix) save for the Loan Facility Agreement, the Share Charge, the Charge Over Account and the Debenture, there was no agreement, arrangement or understanding that any securities acquired in pursuance of the Offer would be transferred, charged or pledged to any other persons;
- (x) save for the Sale and Purchase Agreement, there is no agreement, arrangement or understanding (including any compensation arrangement) between the Offeror or any person acting in concert with it and any of the Directors, recent directors, Shareholders or recent shareholders of the Company having any connection with or dependence upon the Offer;

- (xi) there is no understanding, agreement or arrangement which constitutes a special deal under Rule 25 of the Takeovers Code between the Offeror or parties acting in concert with it on the one hand and the Vendors and parties acting in concert with any of them or any other Shareholders on the other hand; and
- (xii) save for the total consideration for the Sale Shares i.e. HK\$167,231,250, no other consideration, compensation or benefit in whatever form is paid or to be paid by the Offeror or any parties acting in concert with it to the Vendors or any parties acting in concert with any of them in connection with the sale and purchase of the Sale Shares.

As at the date of this joint announcement, there is no understanding, arrangement, agreement or special deal under Rule 25 of the Takeovers Code between (1) any Shareholders; and (2)(a) the Offeror and its concert parties; or (b) the Company, its subsidiaries or associated companies.

## **INFORMATION ON THE OFFEROR**

### **Information on the Offeror**

The Offeror was incorporated in the British Virgin Islands with limited liability as an investment holding company. As at the date of this joint announcement, the Offeror is wholly and beneficially owned by Ms. Hou. Ms. Hou is the sole director of the Offeror.

### **Information on Ms. Hou**

Ms. Hou, aged 41, is one of the shareholders and the general manager of Shenzhen Ruijia Jewellery Company Limited\* (深圳市瑞嘉珠寶有限公司) (“**Shenzhen Ruijia**”), a distributor with up to 35 stores of a well-known jewellery brand in Hong Kong and has been recognised with the best sales performance award by the said jewellery brand. Ms. Hou has been appointed as the general manager of Shenzhen Ruijia since August 1999. Her role as the general manager involves day-to-day operation of the company’s business, formulating the annual, quarterly and monthly budgets, managing the operation of the retail stores, exploration of new retail market, liaising with the company’s brand strategic partnership and relationship with the landlords of the company’s various stores.

Ms. Hou is also the supervisor of Shenzhen Zhong Ying Tai Pictures Company Limited\* (深圳中影泰得影業股份有限公司) and Shenzhen Zhong Ying Tai Cinema Development Company Limited\* (深圳中影泰得院綫發展有限公司), which principally engage in cinema investment consultancy, management and planning in the PRC and cinema business operations in more than 15 cities in the PRC, respectively.

It is expected that Ms. Hou’s experience in corporate management of over 20 years will bring in a positive impact and benefit to the business operation of the Group. Moreover, following Completion, the Vendors would remain as directors and/or senior management of the subsidiaries of the Group such that the day to day business operations of the Group would not be disrupted by the change in control of the Company.

## OFFEROR'S INTENTION IN RELATION TO THE GROUP

Upon Completion, the Offeror has become the controlling Shareholder (as defined under the Listing Rules). The Offeror has no intention to discontinue the employment of the employees or to dispose of or re-deploy the assets of the Group. The Offeror also intends to continue the existing principal business of the Group immediately following Completion. The Offeror will, following the close of the Offer, conduct a detailed review of the business operations and financial position of the Group for the purpose of developing a sustainable business plan or strategy for the Group. Subject to the results of the review, the Offeror may explore other business opportunities and consider whether any restructuring and/or integration of the existing businesses of the Group will be appropriate in order to enhance long-term growth potential of the Company.

## INFORMATION OF THE GROUP

The Company was incorporated in the Cayman Islands with limited liability and its issued shares have been listed on main board of the Stock Exchange (stock code: 1667). The Group has two reportable segments, namely:

- (1) construction and engineering services: principally engaged in the provision of (a) building construction services; (b) alteration, addition, fitting-out works and building services; and (c) repair and restoration of historic buildings in Hong Kong; and
- (2) property development and investment: principally engaged in the property development and investment business in Hong Kong and other countries in the Asia-Pacific region.

## Financial information of the Group

The following table is a summary of certain audited consolidated financial information of the Group for the three financial years ended 31 March 2020 as extracted from the annual reports of the Company for the two years ended 31 March 2019 and 31 March 2020:

	<b>For the year ended/As at 31 March</b>		
	<b>2020</b>	<b>2019</b>	<b>2018</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	260,950	491,839	532,127
(Loss)/profit before tax	(16,879)	17,075	20,147
(Loss)/profit for the year attributable to owners of the Company	(17,038)	14,666	15,587
Total comprehensive (loss)/income attributable to the owners of the Company	(17,038)	18,145	22,684
Equity attributable to owners of the Company	124,971	142,009	163,592

## **The Milestone Builder Engineering Loan Agreements**

On 30 September 2019, Mr. KF Leung as lender entered into a loan agreement with Milestone Builder Engineering as borrower, pursuant to which Mr. KF Leung agreed to grant an interest-free and collateral-free loan in the principal amount of HK\$5,619,356 for an initial term of two years from the drawdown date (or such later date as mutually agreed in writing by the parties thereto) for the purpose of financing the general working capital of the Group. Such loan shall be repaid by Milestone Builder Engineering as to HK\$5,119,536 and HK\$500,000 on 29 September 2021 and 31 October 2021 respectively, or such later date as agreed between the parties. Milestone Builder Engineering may early repay part or all of the said loan prior to the repayment date.

On 30 September 2019, Mr. Lam as lender entered into a loan agreement with Milestone Builder Engineering as borrower, pursuant to which Mr. Lam agreed to grant an interest-free and collateral-free loan in the principal amount of HK\$4,372,241 for an initial term of two years from the drawdown date (or such later date as mutually agreed in writing by the parties thereto) for the purpose of financing the general working capital of the Group. Such loan shall be repaid by Milestone Builder Engineering as to HK\$3,872,241 and HK\$500,000 on 29 September 2021 and 31 October 2021 respectively, or such later date as agreed between the parties. Milestone Builder Engineering may early repay part or all of the said loan prior to the repayment date.

Milestone Builder Engineering has agreed not to early repay part or all of the loans under the Milestone Builder Engineering Loan Agreements during the Offer period and within six (6) months after the close of the Offer. There is no agreement, arrangement or understanding between Mr. KF Leung, Mr. Lam and Milestone Builder Engineering on early payment of the loans after 6-month period after the close of the Offer.

## **The Speedy Engineering Loan Agreement**

On 9 May 2019, Mr. Aaron Leung as lender entered in a loan agreement with Speedy Engineering as borrower, pursuant to which Mr. Aaron Leung agreed to grant an interest-free and collateral-free loan in the principal amount of HK\$4,410,000 for an initial term of two years from the drawdown date (or such later date as mutually agreed in writing by the parties thereto) for the purpose of financing the general working capital of the Group. Such loan shall be repaid by Speedy Engineering as to HK\$1,500,000 on 8 May 2021, as to HK\$2,100,000 on 15 May 2021, as to HK\$200,000 on 17 May 2021, as to HK\$200,000 on 13 June 2021, as to HK\$300,000 on 14 August 2021 and as to HK\$110,000 on 22 September 2021.

Speedy Engineering has agreed not to early repay part or all of the loan under the Speedy Engineering Loan Agreement prior to the repayment date during the Offer period and within six (6) months after the close of the Offer. There is no agreement, arrangement or understanding between Mr. Aaron Leung and Speedy Engineering on early repayment of the loan after 6-month period after the close of the Offer.

## **The Popsible Development Loan Agreements**

On 22 August 2019, Mr. KF Leung as lender entered in a loan agreement with Popsible Development as borrower, pursuant to which Mr. KF Leung agreed to grant an interest-free and collateral-free loan in the principal amount of HK\$10 million for an initial term of two years from the drawdown date (or such later date as mutually agreed in writing by the parties thereto) for the purpose of financing the general working capital of the Group. Such loan has been drawn by Popsible Development on 22 August 2019 and is repayable on 21 August 2021. Popsible Development may early repay part or all of the said loan prior to the repayment date.

On 22 August 2019, Mr. Lam as lender entered in a loan agreement with Popsible Development as borrower pursuant to which Mr. Lam agreed to grant an interest-free and collateral-free loan in the principal amount of HK\$10 million for an initial term of two years from the drawdown date (or such later date as mutually agreed in writing by the parties thereto) for the purpose of financing the general working capital of the Group. Such loan has been drawn by Popsible Development on 22 August 2019 and is repayable on 21 August 2021. Popsible Development may early repay part or all of the said loan prior to the repayment date.

Popsible Development has agreed not to early repay part or all of the loans under the Popsible Development Loan Agreements during the Offer period and within six (6) months after the close of the Offer. There is no agreement, arrangement or understanding between Mr. KF Leung, Mr. Lam and Popsible Development on early repayment of the loans after 6-month period after the close of the Offer.

Each of the Milestone Builder Engineering Loan Agreements, the Speedy Engineering Loan Agreement, and the Popsible Development Loan Agreements are separate from and not related to the Milestone Builder Engineering New Loan Agreement.



## Shareholding structure of the Company

Set out below is the shareholding structure of the Company (i) immediately before Completion; (ii) immediately after Completion and as at the date of this joint announcement:

	Immediately prior to Completion		Immediately after Completion and as at the date of this joint announcement	
	Number of Shares	Approximate % (Note 1)	Number of Shares	Approximate % (Note 1)
The Offeror and parties acting in concert with it	95,000,000	9.90	689,600,000	71.83
<b>Vendors</b>				
Mr. KF Leung (Notes 2 and 3)	285,660,000	29.76	—	—
Mr. Lam (Notes 2 and 4)	285,660,000	29.76	—	—
Mr. Aaron Leung (Notes 2 and 5)	23,280,000	2.41	—	—
Public Shareholders	<u>270,400,000</u>	<u>28.17</u>	<u>270,400,000</u>	<u>28.17</u>
	<u>960,000,000</u>	<u>100.00</u>	<u>960,000,000</u>	<u>100.00</u>

Notes:

1. Certain percentage figures included in this table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.
2. Pursuant to the concert party deed dated 11 March 2020 executed by Mr. KF Leung, Mr. Lam and Mr. Aaron Leung, Mr. KF Leung, Mr. Lam and Mr. Aaron Leung are parties acting in concert.
3. Mr. KF Leung is an executive Director and the Chairman of the Company.
4. Mr. Lam is an executive Director.
5. Mr. Aaron Leung is a senior management of the Group.

## PROPOSED CHANGE OF BOARD COMPOSITION OF THE COMPANY

The Offeror intends to nominate new directors to the Board with effect from a date which is no earlier than such date as permitted for appointment of Directors under Rule 26.4 of the Takeovers Code. The existing Directors, namely Mr. KF Leung, Mr. Lam, Mr. Keung Kwok Hung, Ms. Lau Suk Han Loretta, Mr. Wong Chun Tai and Mr. Fong Man Fu Eric, will resign from the Board with effect from the earliest date as permitted for resignation of existing Directors under (or pursuant to any dispensation from) the Takeovers Code, the Listing Rules or other applicable laws or rules or regulations applicable

to the Company or by the SFC. Details of the change of the Board composition and biographies of any new Directors to be appointed will be announced as and when appropriate in compliance with the Takeovers Code and the Listing Rules.

Following Completion, the Vendors will remain as directors and/or senior management of the subsidiaries of the Group.

## **MAINTAINING THE LISTING STATUS AND SUFFICIENT PUBLIC FLOAT OF THE COMPANY**

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the Shares, are held by the public, or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend dealings in the Shares until the prescribed level of public float is restored.

The Offeror intends the Company to remain listed on the Stock Exchange after the close of the Offer. The Offeror does not intend to avail itself of any powers of compulsory acquisition of any Shares outstanding after the Closing Date. The Offeror and the Board will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares, such as disposal of Shares held by the Offeror or parties acting in concert with it and/or issue of additional Shares by the Company to other independent third parties not connected with the Company or any of its connected persons and not parties acting in concert with the Offeror for this purpose. The Company and the Offeror will issue a separate announcement as and when necessary in this regard.

## **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee comprising all independent non-executive Directors who have no direct or indirect interest in the Offer, namely Mr. Keung Kwok Hung, Ms. Lau Suk Han Loretta, Mr. Wong Chun Tai and Mr. Fong Man Fu Eric, has been established in accordance with Rule 2.1 and Rule 2.8 of the Takeovers Code to advise and give a recommendation to the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer.

With the approval by the Independent Board Committee, Merdeka Corporate Finance has been appointed by the Company to act as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Offer, in particular as to whether the Offer is, or is not, fair and reasonable and as to the acceptance of the Offer.

## **DESPATCH OF THE COMPOSITE DOCUMENT**

It is the intention of the Offeror and the Company to combine the offer document and the Company's board circular in the Composite Document to be posted.

Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document setting out, among others, (i) further details of the Offer; (ii) the recommendation from the Independent Board Committee; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee in respect of the Offer; and (iv) the relevant form(s) of acceptance, is required to be despatched to the Shareholders within 21 days after the date of this joint announcement or such later date as the Executive may consent to.

The Independent Shareholders are encouraged to read the Composite Document carefully, including the advice of the Independent Financial Adviser to the Independent Board Committee and the recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Offer, before deciding whether or not to accept the Offer.

Further announcement(s) regarding the despatch of the Composite Document will be made by the Offeror and the Company in due course.

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 15 October 2020 pending the 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 30 October 2020.

## **DEALING DISCLOSURE**

In accordance with Rule 3.8 of the Takeovers Code, respective associates of the Company (as defined in the Takeovers Code, including among others, Shareholders of the Company having interests of 5% or more in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company) and of the Offeror are hereby reminded to disclose their dealings in the securities of the Company pursuant to the requirements of the Takeovers Code.

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

*“Responsibilities of stockbrokers, banks and other intermediaries*

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 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.”*

## **WARNING**

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

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares, and if they 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 shall have the following meanings:

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“Alpha Financial”	Alpha Financial Group Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the financial adviser to the Company in relation to the Offer
“Ample Capital”	Ample Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, being one of the joint financial advisers to the Offeror in relation to the Offer
“associate(s)”	has the meaning ascribed to it under the Takeovers Code
“Board”	the board of Directors
“Charge Over Account”	the charge over account dated 15 October 2020 in respect of the Offeror’s securities account in CIS Securities created by the Offeror in favour of CIS Finance as security for the Loan Facility

“CIS Finance”	CIS Finance Limited, a company incorporated in Hong Kong with limited liability, whose ultimate beneficial owners are Lun Shunhua, Tan Shenning, Kan King Yee Karen, Chu Wai Leung and two other shareholders who are each holding less than 5% of the total issued shares in the holding company of CIS Finance, is principally engaged in money lending and holds a money lenders licence under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong)
“CIS Finance Loan Agreement”	the loan agreement dated 21 August 2019 and entered into between CIS Finance as lender and Mr. KF Leung and Mr. Lam as borrowers in relation to the granting of the loan by CIS Finance to Mr. KF Leung and Mr. Lam in the principal sum of HK\$25 million
“CIS Securities”	CIS Securities Asset Management Limited, a corporation licensed to carry out Type 1 (dealing in securities), Type 2 (dealing in future contracts), Type 4 (advising in securities) and Type 9 (asset management) regulated activities under the SFO
“Closing Date”	the date to be stated in the Composite Document as the closing date of the Offer or any subsequent closing date as may be announced by the Offeror and approved by the Executive
“Company”	Milestone Builder Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange (stock code: 1667)
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the Sale and Purchase Agreement which took place on 15 October 2020
“Composite Document”	the composite offer and response document to be jointly issued by the Offeror and the Company to the Shareholders in connection with the Offer in compliance with the Takeovers Code containing, among other things, details of the Offer (accompanied by the form of acceptance and transfer) and the respective letters of advice from the Independent Board Committee and the Independent Financial Adviser
“Consideration”	the consideration payable by the Offeror to the Vendors for the acquisition of the Sale Shares, being HK\$167,231,250
“Debenture”	the first ranking debenture dated 15 October 2020 in respect of all of the Offeror’s assets granted by the Offeror in favour of CIS Finance as security for the Loan Facility

“Director(s)”	director(s) of the Company
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
“Grand Harbour”	Grand Harbour Corporate Finance Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being one of the joint financial advisers to the Offeror in relation to the Offer
“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 Peoples Republic of China
“Independent Board Committee”	the independent board committee of the Company comprising all the independent non-executive Directors, namely Mr. Keung Kwok Hung, Ms. Lau Suk Han Loretta, Mr. Wong Chun Tai and Mr. Fong Man Fu Eric, established to advise the Independent Shareholders on the Offer
“Independent Financial Adviser” or “Merdeka Corporate Finance”	Merdeka Corporate Finance Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed by the Company for the purpose of advising the Independent Board Committee in respect of the Offer
“Independent Shareholders”	Shareholders other than the Offeror and parties acting in concert with it
“Last Trading Day”	14 October 2020, being the last trading day of the Shares before the publication of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Facility”	the loan facilities of a maximum amount up to HK\$76 million made available to the Offeror by CIS Finance for financing the Offer
“Loan Facility Agreement”	the loan agreement dated 15 October 2020 and entered into between CIS Finance as lender and the Offeror as borrower in relation to the Loan Facility

“Milestone Builder Engineering”	Milestone Builder Engineering Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company and is principally engaged in provision of general building works and specialist building works
“Milestone Builder Engineering Loan Agreements”	the two loan agreements dated 30 September 2019 and entered into between each of Mr. KF Leung and Mr. Lam as lenders and Milestone Builder Engineering as borrower in relation to the granting of the loans by each of Mr. KF Leung and Mr. Lam to Milestone Builder Engineering in the principal amount of HK\$5,619,356 and HK\$4,372,241 respectively
“Milestone Builder Engineering New Loan Agreement”	the loan agreement dated 15 October 2020 and entered into between the Vendors as lenders and Milestone Builder Engineering as borrower in relation to the granting of the loan facilities by the Vendors to Milestone Builder Engineering of a maximum amount up to HK\$120 million
“Mr. Aaron Leung”	Leung Chin Hung Aaron, a senior management of the Group
“Mr. KF Leung”	Leung Kam Fai, an executive Director
“Mr. Lam”	Lam Ka Ho, an executive Director
“Ms. Hou”	Hou Lingling, being the beneficial owner of one issued share of the Offeror, representing the entire issued share of the Offeror
“Offer”	the mandatory unconditional cash offer to be made by CIS Securities, on behalf of the Offeror, to acquire all the issued Shares not already owned or agreed to be acquired by the Offeror and parties acting in concert with it in accordance with the Takeovers Code
“Offeror”	Smart Excel Group Limited, a company incorporated in the British Virgin Islands which is wholly and beneficially owned by Ms. Hou
“Offer Price”	HK\$0.28125 per Offer Share
“Offer Share(s)”	the issued Share(s) other than those already owned by the Offeror and parties acting in concert with it
“Overseas Shareholders”	Independent Shareholder(s) whose address(es), as shown on the register of members of the Company, is/are outside Hong Kong



“Placing”	the placing of new Shares by CIS Securities Asset Management Limited and Plutus Securities Limited as joint placing agents of the Company to placees to subscribe for up to 160,000,000 Placing Shares, which was announced by the Company on 7 August 2020
“Placing Share(s)”	160,000,000 new Shares placed under the Placing, including 95,000,000 new Shares subscribed by the Offeror under the Placing
“Popsible Development”	Popsible Development Limited, a company incorporated in Hong Kong with limited liability and a company indirectly owned as to 70% by the Company and 30% by Ocean Sky Development Limited, which is accounted as a jointly controlled entity in the consolidated accounts of the Company
“Popsible Development Loan Agreements”	the two loan agreements dated 22 August 2019 and entered into between each of Mr. KF Leung and Mr. Lam as lenders and Popsible Development as borrower in relation to the granting of the loans by each of Mr. KF Leung and Mr. Lam to Popsible Development in the principal amount of HK\$10 million and HK\$10 million respectively
“PRC”	the People’s Republic of China, which for the purpose of this joint announcement shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Sale and Purchase Agreement”	the sale and purchase agreement dated 15 October 2020 and entered into between the Vendors and the Offeror in relation to the sale and purchase of the Sale Shares
“Sale Share(s)”	594,600,000 Shares, legally and beneficially owned by the Vendors before Completion
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Charge”	the share charge dated 15 October 2020 and executed by the Offeror in favour of CIS Finance in respect of the Shares to be acquired by the Offeror or parties acting in concert with it pursuant to the Offer (excluding the Sale Shares) as security for the Loan Facility
“Share(s)”	ordinary share(s) of par value HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Speedy Engineering”	Speedy Engineering & Trading Company Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Speedy Engineering Loan Agreement”	the loan agreement dated 9 May 2019 and entered into between Mr. Aaron Leung as lender and Speedy Engineering as borrower in relation to the granting of the loan by Mr. Aaron Leung to Speedy Engineering in the principal amount of HK\$4,410,000
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Vendors”	Mr. KF Leung, Mr. Lam and Mr. Aaron Leung
“%”	per cent.

By order of the board of  
**Smart Excel Group Limited**  
**Hou Lingling**  
*Director*

By order of the Board  
**Milestone Builder Holdings Limited**  
**Leung Kam Fai**  
*Chairman and Executive Director*

Hong Kong, 29 October 2020

*As at the date of this joint announcement, the executive Directors are Mr. Leung Kam Fai and Mr. Lam Ka Ho; and the independent non-executive Directors are Mr. Keung Kwok Hung, Ms. Lau Suk Han Loretta, Mr. Wong Chun Tai and Mr. Fong Man Fu Eric.*

*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 inquiries, 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 contained in this joint announcement misleading.*

*As at the date of this joint announcement, the sole director of the Offeror is Ms. Hou Lingling. The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Group), and confirm, having made all reasonable inquiries, that to the best of her 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 contained in this joint announcement misleading.*

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

*\* The English name is a transliteration of the relevant Chinese name and are included here for identification purposes only.*