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Genesis Ventures Limited
華創創業投資有限公司

(Incorporated in the British Virgin Islands with limited liability)



HKC (HOLDINGS) LIMITED
香港建設(控股)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 190)

(website: www.hkcholdings.com)

JOINT ANNOUNCEMENT

(1) PROPOSED PRIVATISATION OF HKC (HOLDINGS) LIMITED
BY

GENESIS VENTURES LIMITED

BY WAY OF A SCHEME OF ARRANGEMENT UNDER SECTION 99
OF THE COMPANIES ACT

(2) DECLARATION OF SECOND INTERIM DIVIDEND

(3) PROPOSED WITHDRAWAL OF LISTING OF
HKC (HOLDINGS) LIMITED

(4) ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE
AND

(5) RESUMPTION OF TRADING IN SHARES OF
HKC (HOLDINGS) LIMITED

Financial Adviser to the Offeror



SOMERLEY CAPITAL LIMITED

1. INTRODUCTION

The Offeror and the Company jointly announce that, on 12 January 2021, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the privatisation of the Company by way of a scheme of arrangement under section 99 of the Companies Act.

2. TERMS OF THE PROPOSAL

If the Proposal is approved and implemented:

- (a) all Scheme Shares held by the Scheme Shareholders will be cancelled and extinguished by way of the reduction of issued share capital of the Company, in exchange for the payment of the Cancellation Price for each Scheme Share cancelled;
- (b) immediately after the cancellation and extinguishment of the Scheme Shares, the issued share capital of the Company will be increased to the amount immediately prior to the cancellation and extinguishment of the Scheme Shares by applying the credit amount arising in the books of account of the Company as a result of the aforesaid reduction of issued share capital of the Company in paying up in full at par such number of new Shares (credited as full paid) as is equal to the number of the Scheme Shares cancelled and extinguished as aforesaid, to be allotted and issued to the Offeror;
- (c) the Company will be owned as to (i) approximately 32.17% by the Offeror and (ii) approximately 67.83% by Creator Holdings Limited and Genesis Capital Group Limited, being Offeror Concert Parties which are ultimately beneficially wholly-owned by Mr. OEI; and
- (d) the Company will apply to the Stock Exchange for the withdrawal of listing of the Shares on the Stock Exchange pursuant to Rule 6.15 of the Listing Rules, such withdrawal to take place immediately following the Effective Date.

The Scheme will provide that the Scheme Shares be cancelled in exchange for the payment to Scheme Shareholders of HK\$8.00 in cash for each Scheme Share, representing a premium of approximately 120.39% over the closing price of HK\$3.63 per Share as quoted on the Stock Exchange on the Last Trading Date.

The Cancellation Price will not be increased and the Offeror does not reserve the right to do so.

If, after the date of this joint announcement, any dividend or other distribution (other than the Second Interim Dividend referred to below) is made or paid in respect of the Scheme Shares, the Cancellation Price will be reduced by an amount equal to the amount of such dividend or other distribution. The Company does not expect to declare any dividend or other distribution (other than the Second Interim Dividend referred to below) on or before the Effective Date.

The Proposal is conditional upon the fulfillment or waiver, as applicable, of the Conditions as described in the section headed “Conditions of the Proposal and the Scheme” below. All Conditions will have to be fulfilled or waived, as applicable, on or before the Long Stop Date (or such later date as the Offeror and the Company may agree or, to the extent applicable, as the Executive may consent and/or the Court may direct), failing which the Proposal will lapse.

3. REASONS FOR AND BENEFITS OF THE PROPOSAL

The reasons for and benefits of the Proposal are set out in detail below. In summary, the Share price has been sluggish and the liquidity of trading has been low. The Cancellation Price, which is a double of the 90-day average closing Share price of HK\$4.00, provides the Scheme Shareholders an attractive opportunity to exit and realise their investments in the Company in full in the midst of a challenging market environment. In addition, the Company has not been able to effect any meaningful equity fund raising without diluting its NAV per Share owing to the persistent heavy discount of the NAV per Share to the market price. From the Company’s perspective, the Company can increase its flexibility in setting long-term strategy and save listing expenses if the Proposal is successful.

4. FINANCIAL RESOURCES

The total maximum cash consideration payable under the Proposal on the basis described above is approximately HK\$1.18 billion and the Offeror intends to finance the cash required for the Proposal from its internal cash resources.

Somerley Capital Limited, as financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the maximum amount of cash consideration required to effect the Proposal.

5. SECOND INTERIM DIVIDEND

On 13 January 2021, the Board resolved to declare the payment to the Shareholders of a second interim dividend of 13 HK cents per Share in lieu of a final dividend for the year ended 31 December 2020. The Second Interim Dividend will be paid to the Shareholders whose names appear on the register of members of the Company on the Dividend Record Date to be announced. The Dividend Record Date will be the earlier of (a) the Scheme Record Date; or (b) 30 June 2021. The Scheme Record Date will be set out in the Scheme Document to be issued by the Company and the Offeror. The Second Interim Dividend will be payable to the Shareholders within 30 days of the Dividend Record Date. The Second Interim Dividend is not conditional on the Proposal having become effective and will not be deducted from the Cancellation Price.

6. WITHDRAWAL OF LISTING

Upon the Scheme becoming effective, all Scheme Shares will be cancelled (with the equivalent number of new Shares being issued as fully paid to the Offeror) and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title. The Company will apply to the Stock Exchange for withdrawal of listing of the Shares on the Stock Exchange pursuant to Rule 6.15 of the Listing Rules, such withdrawal to take place immediately following the Effective Date.

Subject to the requirements of the Takeovers Code, the Proposal will lapse if any of the Conditions has not been fulfilled or waived, as applicable, on or before the Long Stop Date (or such later date as the Offeror and the Company may agree or, to the extent applicable, as the Executive may consent and/or the Court may direct). If the Scheme is not approved or the Proposal otherwise lapses, the listing of the Shares on the Stock Exchange will not be withdrawn.

7. SCHEME DOCUMENT

A Scheme Document including, among other things, details of the Proposal, an explanatory statement, the expected timetable relating to the Proposal, the recommendations of the Independent Board Committee, a letter of advice from the independent financial adviser and notices of the Court Meeting and the SGM will be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code and applicable laws and regulations.

8. SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading of Shares on the Stock Exchange was suspended from 9:00 a.m. on 13 January 2021, pending the issue of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading of Shares on the Stock Exchange with effect from 9:00 a.m. on 18 January 2021.

WARNINGS

Shareholders and potential investors of the Company should be aware that the Proposal is subject to the Conditions being fulfilled or waived, as applicable, and therefore the Proposal may or may not be implemented. Shareholders and potential investors of the Company should therefore exercise caution when dealing in securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

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

The availability of the Proposal to persons who are not resident in Hong Kong may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in Hong Kong should inform themselves about, and observe, any applicable legal or regulatory requirements of their jurisdictions. Details in relation to overseas Scheme Shareholders will be contained in the Scheme Document.

INTRODUCTION

On 12 January 2021, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the privatisation of the Company by way of the Scheme involving the cancellation of all the Scheme Shares, as a result of which the Company will be owned as to (i) approximately 32.17% by the Offeror and (ii) approximately 67.83% by Creator Holdings Limited and Genesis Capital Group Limited, being the Offeror Concert Parties which are ultimately beneficially wholly-owned by Mr. OEI.

TERMS OF THE PROPOSAL

If the Proposal is approved and implemented:

- (a) all Scheme Shares held by the Scheme Shareholders will be cancelled and extinguished by way of the reduction of issued share capital of the Company, in exchange for the payment of the Cancellation Price for each Scheme Share cancelled;
- (b) immediately after the cancellation and extinguishment of the Scheme Shares, the issued share capital of the Company will be increased to the amount immediately prior to the cancellation and extinguishment of the Scheme Shares by applying the credit amount arising in the books of account of the Company as a result of the aforesaid reduction of issued share capital of the Company in paying up in full at par such number of new Shares (credited as full paid) as is equal to the number of the Scheme Shares cancelled and extinguished as aforesaid, to be allotted and issued to the Offeror;
- (c) the Company will be owned as to (i) approximately 32.17% by the Offeror and (ii) approximately 67.83% by Creator Holdings Limited and Genesis Capital Group Limited, being Offeror Concert Parties which are ultimately beneficially wholly-owned by Mr. OEI; and
- (d) the Company will apply to the Stock Exchange for the withdrawal of listing of the Shares on the Stock Exchange pursuant to Rule 6.15 of the Listing Rules so that such withdrawal is to take place immediately following the Effective Date.

Cancellation Price

The Scheme will provide that the Scheme Shares be cancelled in exchange for the payment to Scheme Shareholders of HK\$8.00 in cash for each Scheme Share.

As at the date of this joint announcement, there were no outstanding options, warrants, derivatives, convertible securities or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company.

No price increase statement

The Cancellation Price will not be increased and the Offeror does not reserve the right to do so.

If, after this joint announcement, any dividend or other distribution (other than the Second Interim Dividend referred to below) is made or paid in respect of the Scheme Shares, the Cancellation Price will be reduced by an amount equal to the amount of such dividend or other distribution. The Company does not expect to declare any dividend or other distribution (other than the Second Interim Dividend referred to below) on or before the Effective Date.

Total consideration

As at the date of this joint announcement, the total issued share capital of the Company comprises 511,074,246 Shares. 147,149,308 Scheme Shares are currently in issue, representing approximately 28.79% of the issued share capital of the Company as at the date of this joint announcement.

At the Cancellation Price, the Proposal values the entire issued share capital of the Company at approximately HK\$4.09 billion.

The maximum amount of cash consideration required to effect the Proposal will be approximately HK\$1.18 billion.

Confirmation of financial resources

Payment of the cash consideration under the Scheme will be funded by the internal cash resources of the Offeror.

Somerley Capital Limited, as financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the maximum amount of cash consideration required to effect the Proposal.

CONDITIONS OF THE PROPOSAL AND THE SCHEME

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

- (a) the approval of the Scheme (by way of poll) by a majority in number of the Scheme Shareholders representing not less than three-fourths in value of the Scheme Shares held by the Scheme Shareholders present and voting either in person or by proxy at the Court Meeting;
- (b) the approval of the Scheme (by way of poll) by not less than three-fourths of the votes attaching to the Scheme Shares held by the Disinterested Scheme Shareholders that are voted either in person or by proxy at the Court Meeting, provided that the number of votes cast (by way of poll) against the resolution to approve the Scheme is not more than 10% of the votes attaching to all the Scheme Shares held by all the Disinterested Scheme Shareholders;
- (c) the passing of a special resolution by a majority of not less than three fourths of the votes cast by the Shareholders present and voting, in person or by proxy, at the SGM, to approve and give effect to the reduction of the issued share capital of the Company by cancelling and extinguishing the Scheme Shares and, immediately thereafter, to approve and give effect to the increase of the issued share capital of the Company to its former amount by applying the credit amount arising in the books of

account of the Company as a result of the aforesaid reduction of the issued share capital of the Company in paying up in full at par such number of new Shares (credited as full paid) as is equal to the number of the Scheme Shares cancelled and extinguished as aforesaid, to be allotted and issued to the Offeror;

- (d) the sanction of the Scheme (with or without modifications) by the Court and the delivery to the Registrar of Companies in Bermuda of a copy of the order of the Court for registration;
- (e) compliance with the procedural requirements and conditions, if any, under the Companies Act in relation to the Scheme and the reduction of the issued share capital of the Company respectively;
- (f) all Authorisations (if any) having been obtained or made from, with or by (as the case may be) the Relevant Authorities in Bermuda, Hong Kong and any other relevant jurisdictions;
- (g) all Authorisations (if any) remaining in full force and effect without variation, and all necessary statutory or regulatory obligations in all relevant jurisdictions having been complied with and no requirement having been imposed by any Relevant Authorities which is not expressly provided for, or is in addition to requirements expressly provided for, in relevant laws, rules, regulations or codes in connection with the Proposal or any matters, documents (including circulars) or things relating thereto, in each aforesaid case up to and at the time when the Scheme becomes effective;
- (h) no government, governmental, quasi-governmental, statutory or regulatory body, court or agency in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry (enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order), in each case, which would make the Proposal or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material conditions or obligations with respect to the Proposal or its implementation in accordance with its terms), other than such actions, proceedings, suits, investigations or enquiries as would not have a material adverse effect on the legal ability of the Offeror to proceed with the Proposal;
- (i) all necessary consents (including consents from the relevant lenders) in connection with the Proposal and the withdrawal of listing of the Shares on the Stock Exchange which may be required under any existing contractual obligations of any member of the Group being obtained and remaining in effect;

- (j) all necessary legal or regulatory obligations in all relevant jurisdictions having been complied with and no legal or regulatory requirement having been imposed which is not expressly provided for, or is in addition to the requirements expressly provided for, in the relevant laws or regulations in connection with the Proposal or its implementation in accordance with its terms;
- (k) the implementation of the Proposal not resulting in, and no event or circumstance having occurred or arisen which would or might be expected to result in:
 - (i) any indebtedness (actual or contingent) of any member of the Group being or becoming repayable (or capable of being declared repayable) immediately or prior to its stated maturity or repayment date;
 - (ii) any agreement, arrangement, licence, permit or instrument to which any member of the Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject (or any of the rights, liabilities, obligations or interests of any member of the Group thereunder) being terminated or adversely modified (or any material obligation or liability on the part of any member of the Group arising in relation thereto); or
 - (iii) the creation or enforcement of any security interest over the whole or any part of the business, property or assets of any member of the Group or any such security (whenever arising) becoming enforceable,

in each case, which is material in the context of the Group as a whole or in the context of the Proposal or its implementation in accordance with its terms; and

- (l) since the date of this joint announcement:
 - (i) there having been no adverse change in the business, assets, financial or trading, positions, profits or prospects of any member of the Group which is material in the context of the Group taken as a whole or in the context of the Proposal; and
 - (ii) there not having been instituted, threatened in writing or remaining outstanding any litigation, arbitration, other proceedings or other dispute resolution process to which any such member is a party (whether as plaintiff, defendant or otherwise) and no investigation by any government, quasi-governmental, supranational, regulatory or investigative body or court against or in respect of any such member or the business carried on by any such member having been threatened in writing, instituted or remaining outstanding, in each case, which is material in the context of the Group taken as a whole or in the context of the Proposal or its implementation in accordance with its terms.

Conditions (a) to (e) cannot be waived. The Offeror reserves the right to waive all or any of Conditions (f) to (l), to the extent permissible by relevant laws and regulations, the Listing Rules and the Takeovers Code, either in whole or in respect of any particular matter. The Company does not have the right to waive any of the Conditions. All of the Conditions will have to be fulfilled or waived, as applicable, on or before the Long Stop Date, to the extent applicable, as the Executive may consent and/or the Court may direct, failing which the Proposal will lapse. If the Scheme is withdrawn, not approved or lapses, the listing of the Shares on the Stock Exchange will not be withdrawn.

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

With reference to the Condition in paragraph (f), as at the date of this joint announcement, each of the Offeror and the Company is not aware of any requirement for such Authorisations other than those set out in the Conditions in paragraphs (a) to (e).

With reference to the Condition in paragraph (h), as at the date of this joint announcement, each of the Offeror and the Company is not aware of any such action, proceeding, suit, investigation, statute, regulation, demand or order.

With reference to the Condition in paragraph (i), as at the date of this joint announcement, each of the Offeror and the Company is not aware of any such consents apart from obtaining consents from several financial institutions in relation to a number of facility letters.

With reference to the Condition in paragraph (j), as at the date of this joint announcement, each of the Offeror and the Company is not aware of any such non-compliance or regulatory requirement other than those set out in the Conditions in paragraphs (a) to (e).

With reference to the Conditions in paragraphs (k) and (l), as at the date of this joint announcement, each of the Offeror and the Company is not aware of any such event or circumstance.

If the Conditions are satisfied or waived (as applicable), the Scheme will be binding on all of the Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the SGM.

As at the date of this joint announcement, none of the Conditions have been fulfilled or waived (as the case may be).

Shareholders and potential investors of the Company should be aware that the Proposal is subject to the Conditions being fulfilled or waived, as applicable, and therefore the Proposal may or may not be implemented. Shareholders and potential investors of the Company should therefore exercise caution when dealing in securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

SECOND INTERIM DIVIDEND

On 13 January 2021, the Board resolved to declare the payment to the Shareholders a second interim dividend of 13 HK cents per Share in lieu of a final dividend for the year ended 31 December 2020. The Second Interim Dividend will be paid to the Shareholders whose names appear on the register of members of the Company on the Dividend Record Date to be announced. The Dividend Record Date will be the earlier of (a) the Scheme Record Date; or (b) 30 June 2021. The Scheme Record Date will be set out in the Scheme Document to be issued by the Company and the Offeror. The Second Interim Dividend will be payable to the Shareholders within 30 days of the Dividend Record Date. The Second Interim Dividend is not conditional on the Proposal having become effective and will not be deducted from the Cancellation Price.

Further details concerning the Second Interim Dividend, including the closure of the register of members for the purpose of determining entitlement to the Second Interim Dividend and the Dividend Record Date, will be announced by the Company separately.

COMPARISONS OF VALUE

The Cancellation Price represents:

- a premium of approximately 120.39% over the closing price of HK\$3.63 per Share or a premium of approximately 128.57% over the ex-Second Interim Dividend closing price of HK\$3.50 per Share, as quoted on the Stock Exchange on the Last Trading Date;
- a premium of approximately 122.22% over the average closing price of HK\$3.60 per Share or a premium of approximately 130.55% over the ex-Second Interim Dividend average closing price of HK\$3.47 per Share, based on the daily closing prices as quoted on the Stock Exchange over the 5 trading days up to and including the Last Trading Date;
- a premium of approximately 119.78% over the average closing price of HK\$3.64 per Share or a premium of approximately 127.92% over the ex-Second Interim Dividend average closing price of HK\$3.51 per Share, based on the daily closing prices as quoted on the Stock Exchange over the 30 trading days up to and including the Last Trading Date;

- a premium of approximately 109.42% over the average closing price of HK\$3.82 per Share or a premium of approximately 116.80% over the ex-Second Interim Dividend average closing price of HK\$3.69 per Share, based on the daily closing prices as quoted on the Stock Exchange over the 60 trading days up to and including the Last Trading Date;
- a premium of approximately 78.97% over the average closing price of HK\$4.47 per Share or a premium of approximately 84.33% over the ex-Second Interim Dividend average closing price of HK\$4.34 per Share, based on the daily closing prices as quoted on the Stock Exchange over the 180 trading days up to and including the Last Trading Date;
- a discount of approximately 67.99% to the audited consolidated net asset value attributable to Shareholders per Share of approximately HK\$24.99 as at 31 December 2019 (having excluded the final dividend for 2019) or a discount of approximately 67.82% to the audited consolidated net asset value attributable to Shareholders of approximately HK\$24.86 as at 31 December 2019 (having excluded the final dividend for 2019 and the Second Interim Dividend); and
- a discount of approximately 67.57% to the unaudited consolidated net asset value attributable to Shareholders per Share of approximately HK\$24.67 as at 30 June 2020 (having excluded the interim dividend for 2020) or a discount of approximately 67.40% to the unaudited consolidated net asset value attributable to Shareholders of approximately HK\$24.54 as at 30 June 2020 (having excluded the interim dividend for 2020 and the Second Interim Dividend).

The Cancellation Price has been determined after taking into account, among others, the prices and the discounts to NAV per Share at which the Shares have been traded on the Stock Exchange, and pricing premiums for recent privatisation transactions of companies listed on the Stock Exchange.

During the six-month period preceding the Last Trading Date, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$4.74 each on 15 July 2020 and 1 September 2020, and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$3.55 on 8 January 2021.

ARRANGEMENTS MATERIAL TO THE PROPOSAL

As at the date of this joint announcement:

- (a) there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of the Offeror or the Shares which might be material to the Proposal;

- (b) there is no agreement or arrangement to which the Offeror is a party which relates to circumstances in which it may or may not invoke or seek to invoke a condition to the Proposal; and
- (c) neither the Offeror nor any of the Offeror Concert Parties has received any irrevocable commitment to vote for or against the Proposal.

SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this joint announcement:

- (a) the issued share capital of the Company comprises 511,074,246 Shares;
- (b) the Offeror owns, controls or has direction over 17,267,000 Shares, representing approximately 3.38% of the issued share capital of the Company;
- (c) Offeror Concert Parties (including Mr. OEI and his wife, Mrs. OEI Valonia Lau, Creator Holdings Limited, Genesis Capital Group Limited, Mr. OEI Tjie Goan, the father of Mr. OEI, and Mr. LEE Shiu Yee, Daniel and Mr. WONG Jake Leong, Sammy, both executive directors of the Company), own, control or have direction over 376,640,907 Shares, representing approximately 73.70% of the issued share capital of the Company;
- (d) Mr. OEI Tjie Goan, the Offeror Concert Party, through a BVI company, purchased 11,834,513 Shares at HK\$4.48 on 7 September 2020. Save as disclosed in the aforesaid, there were no dealings by the Offeror or the Offeror Concert Parties in the Shares during the period commencing six months prior to the date of this joint announcement;
- (e) there are no convertible securities, warrants or options in respect of the Shares held, controlled or directed by the Offeror or Offeror Concert Parties;
- (f) neither the Offeror nor the Offeror Concert Parties have entered into any outstanding derivative in respect of the securities in the Company; and
- (g) neither the Offeror nor the Offeror Concert Parties have borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

As at the date of this joint announcement, the Scheme Shares, comprising 147,149,308 Shares, represent approximately 28.79% of the issued Shares.

The table below sets out the shareholding structure of the Company as at the date of this joint announcement and immediately upon the Scheme becoming effective (assuming no new Shares will be issued prior thereto).

Shareholder	As at the date of this joint announcement		Immediately upon the Scheme becoming effective	
	Number of Shares	Approximate % of the issued share capital of the Company	Number of Shares	Approximate % of the issued share capital of the Company
Offeror ⁽¹⁾	17,267,000	3.38%	164,416,308	32.17%
Offeror Concert Parties				
<i>Shares held not subject to Scheme</i>				
— Creator Holdings Limited ⁽²⁾	203,445,407	39.81%	203,445,407	39.81%
— Genesis Capital Group Limited ⁽²⁾	143,212,531	28.02%	143,212,531	28.02%
Sub-total	346,657,938	67.83%	346,657,938	67.83%
<i>Shares held subject to Scheme</i>				
— Mr. OEI and Mrs. OEI Valonia Lau ⁽³⁾	11,154,987	2.18%	—	—
— Mr. OEI Tjie Goan ⁽³⁾	11,834,513	2.32%	—	—
— Mr. LEE Shiu Yee, Daniel ⁽⁴⁾	7,200	0.00%	—	—
— Mr. WONG Jake Leong, Sammy ⁽⁴⁾	6,986,269	1.37%	—	—
Sub-total	29,982,969	5.87%	—	—
Sub-total: Offeror and Offeror Concert Parties	393,907,907	77.07%	511,074,246	100.00%
Disinterested Scheme Shareholders	117,166,339	22.93%	—	—
Total	511,074,246	100.00%	511,074,246	100.00%

Notes:

- (1) The Offeror is ultimately beneficially owned as to 50% by Mr. OEI and as to the remaining 50% by his wife, Mrs. OEI Valonia Lau.
- (2) Each of Creator Holdings Limited and Genesis Capital Group Limited is ultimately beneficially wholly-owned by Mr. OEI.
- (3) Mr. OEI and his wife, Mrs. OEI Valonia Lau, being the ultimate beneficial joint owners of the Offeror, are Offeror Concert Parties. Mr. OEI Tjie Goan is the father of Mr. OEI and, therefore deemed to be an Offeror Concert Party and his Shares are held through a BVI company. The 22,989,500 Shares held by Mr. OEI and his wife, Mrs. OEI Valonia Lau, and Mr. OEI Tjie Goan will form part of the Scheme Shares and will be cancelled upon the Scheme becoming binding and effective in accordance with its terms.
- (4) Mr. LEE Shiu Yee, Daniel and Mr. WONG Jake Leong, Sammy are directors of the Company and therefore deemed to be Offeror Concert Parties. The Shares held by Mr. LEE Shiu Yee, Daniel and Mr. WONG Jake Leong, Sammy will form part of the Scheme Shares and will be cancelled upon the Scheme becoming binding and effective in accordance with its terms.
- (5) Due to rounding, the percentages may not add up to the total.

As at the date of this joint announcement, the Company has no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) other than its issued share capital of 511,074,246 Shares.

As at the date of this joint announcement, the Offeror beneficially owns or controls 17,267,000 Shares, representing approximately 3.38% of the issued share capital of the Company. Such Shares will not form part of the Scheme Shares and will not be voted at the Court Meeting and will not be cancelled upon the Scheme becoming effective.

As at the date of this joint announcement, Offeror Concert Parties (including Mr. OEI and his wife, Mrs. OEI Valonia Lau, Creator Holdings Limited, Genesis Capital Group Limited, Mr. OEI Tjie Goan, the father of Mr. OEI, and Mr. LEE Shiu Yee, Daniel and Mr. WONG Jake Leong, Sammy, both executive directors of the Company), were interested in 376,640,907 Shares (representing approximately 73.70% of the issued share capital of the Company). Such Shares will not form part of the Scheme Shares except for those held by Mr. OEI and his wife, Mrs. OEI Valonia Lau, Mr. OEI Tjie Goan, the father of Mr. OEI, and Mr. LEE Shiu Yee, Daniel and Mr. WONG Jake Leong, Sammy, both executive directors of the Company. All the relevant Offeror Concert Parties will abstain from voting on the Scheme at the Court Meeting.

All Shareholders will be entitled to vote on the special resolutions to be proposed at the SGM to approve and give effect to the reduction of the issued share capital of the Company by cancelling and extinguishing the Scheme Shares and, immediately thereafter, to approve and give effect to the increase of the issued share capital of the Company to its former amount by applying the credit amount arising in the books of account of the Company as a result of the aforesaid reduction of the issued share capital of the Company in paying up in full at par such number of new Shares (credited as full paid) as is equal to the number of the Scheme Shares cancelled and extinguished as aforesaid, to be allotted and issued to the Offeror. The Offeror has indicated that, if the Scheme is approved at the Court Meeting, the Offeror will vote in favour of the special resolution(s) to be proposed at the SGM. Upon the Scheme becoming effective, the Company will be owned as to (i) approximately 32.17% by the Offeror; and (ii) approximately 67.83% by Creator Holdings Limited and Genesis Capital Group Limited, being Offeror Concert Parties which are ultimately beneficially wholly-owned by Mr. OEI.

FINANCIAL ADVISER TO THE OFFEROR, INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Offeror has appointed Somerley Capital Limited as its financial adviser in connection with the Proposal.

The Independent Board Committee, which comprises all the following independent non-executive directors (except for Mr. Cheng Yuk Wo, who is also an independent non-executive director of Somerley Capital Holdings Limited (stock code: 8439), which is the holding company of Somerley Capital Limited, the financial adviser to the Offeror), Mr. Albert Thomas DA ROSA, Junior and Mr. VOON Hian-fook, David, who are not interested in the Proposal, has been formed to advise the Disinterested Scheme Shareholders on the Proposal and will appoint an independent financial adviser to advise the Independent Board Committee and the Disinterested Scheme Shareholders on the Proposal. The recommendation of the Independent Board Committee and the advice from the independent financial adviser as to whether the Proposal is or is not fair and reasonable, and as to voting by the Disinterested Scheme Shareholders at the Court Meeting and the SGM, will be set out in the Scheme Document.

REASONS FOR AND BENEFITS OF THE PROPOSAL

For the Scheme Shareholders: an attractive opportunity to monetise their investment in the Company at a price with a compelling premium

(a) in light of the sluggish Share price and low liquidity in the absence of share acquisitions by the Offeror and the Offeror Concert Parties or Share buybacks by the Company

The ultimate beneficial owners of the Offeror, being also the controlling Shareholders, have shown commitment and support to the Company through acquisition of Shares, both on market and off market, throughout the past decade. Since September 2019, the Company has conducted Share buybacks in the market, utilizing its surplus cash with a view to support the Company's value as well as the Shareholders' investment. The Share price peaked at HK\$7.52 on 17 January 2020 in the last 12 months, but started to fall when the Company ceased to buy back its Shares in February and March 2020 during blackout period. The Share price fell to HK\$4.40 on 19 March 2020. The Company resumed its buyback of the Shares in April 2020 and the Share price rebounded to slightly below HK\$6.00. However, owing to constraints imposed by the minimum public float requirement under the Listing Rules, the number of Shares bought back by the Company in April to July 2020 was only 16% of the volume in January 2020. With a headroom of only 0.24% before the minimum public float requirement is reached, the last Share buyback undertaken by the Company was on 3 July 2020 when the Share price closed at HK\$4.87. The Share price dropped gradually and closed at HK\$3.63 on the Last Trading Date. Owing to the constraints to maintain the minimal public float, further Share buybacks of significant size or purchases in the market by the Offeror and the Offeror Concert Parties are unlikely and this removes a significant source of liquidity for the Shares.

The Offeror considers the Proposal will provide Scheme Shareholders with an attractive opportunity to realise their investment in the Company at a premium over the prevailing price of the Shares. The Cancellation Price is (i) higher than the highest closing Share price since 1 January 2016; and (ii) higher than the closing Share price in 2,232 trading days out of a total of 2,469 since 1 January 2011. The Cancellation Price of HK\$8.00 per Share represents (i) a premium of approximately 120.39% over the closing price of HK\$3.63 per Share as quoted on the Stock Exchange on the Last Trading Date; (ii) a premium of approximately 119.78% over the average closing price of approximately HK\$3.64 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Date; and (iii) a premium of approximately 109.42% over the average closing price of approximately HK\$3.82 per Share based on the daily closing prices as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Date.

The liquidity of the Shares has been at a relatively low level over a long period of time, especially when the controlling Shareholders are unable to buy in the market and Share buybacks were not being undertaken. The low trading liquidity of the Shares makes it difficult for Shareholders to execute on-market disposals without adversely affecting the price of the Shares. The Proposal provides the Scheme Shareholders with an opportunity to exit and realise their investments in the Company in full for cash at an attractive premium, as summarised above.

(b) in light of the historical discounts to NAV per Share

During the past decade, as mentioned above, the ultimate beneficial owners of the Offeror have been committed to supporting the Company through Share acquisitions and the Company conducted Share buybacks with surplus cash with an aim to enhance the Shareholders' value. Even so, the Shares have been traded at significant discounts to the NAV per Share, ranging from 68.56% to 86.79% in the past five years, out of which 80.70% to 85.69% during the period from 6 July 2020 to the date of this joint announcement when there was no Share acquisition by the Offeror and the Offeror Concert Parties and Share buybacks by the Company as discussed above. The Company is therefore unable to effect any meaningful equity capital fund raising without diluting its NAV per Share. This is not a favourable situation from the perspective of either the Company or the Shareholders. The Proposal will therefore provide the Scheme Shareholders an opportunity to monetise their investment in the Company at a narrower discount to the NAV per Share, than they have been able to obtain in the market. The Cancellation Price represents a discount of 67.57% to the NAV per Share as at 30 June 2020 (having excluded the interim dividend for 2020). An independent professional valuation of the Group's properties will be carried out and details of which will be disclosed in the Scheme Document, as required by the Takeovers Code.

(c) in light of the increased uncertainties over business outlook

The Group has been investing substantial resources in its property development and investment businesses in the PRC. In 2018 and 2019, as disclosed in the Company's annual reports for the years ended 31 December 2018 and 2019, the property market in the PRC was cooling as the PRC economy slowed down and the PRC authorities restrained speculative activities and tightened credit for the property sector. As a result, the residential property sales of the Group in 2018 and 2019 recorded a 46.2% decrease and a 36.4% decrease, respectively. In the first half of 2020, dampened by the recent Sino-US tension and COVID-19 pandemic, as disclosed in the Company's interim report for the six months ended 30 June 2020, (i) the contracted sales of residential properties were poor during the first quarter of 2020 as sales offices were ordered to close and local governments encouraged people to stay at home; and (ii) the leasing revenues of investment properties were negatively affected, recording a 13% decrease as compared to corresponding period of 2019 as demand for offices and retail space declined given reduced business activities, reduced foot traffic at malls and the government's encouragement for office workers to work at home. The operating performance fluctuations are liable to depress the Company's share price as uncertainties such as the Sino-US tension and COVID-19 pandemic continue. The Proposal provides the Scheme Shareholders with a timely opportunity to realise their investments in the Company amid the increased uncertainties over its business outlook.

For the Company: a proposal to facilitate flexibility in formulating long-term business development strategy and reducing costs incurred from maintaining a listing platform with a limited fund raising function

Faced with the challenging market environment, changes in government regulations and uncertainties in Sino-US tension and COVID-19 situation, the Group may need to focus its resources and implement necessary measures to steer through a difficult period. The Proposal, if implemented, will help the Company focus on long-term development strategy and give the Company more flexibility and higher efficiency in supporting the long-term business development of the Company, free from the short-term profit expectation, the pressure of market expectations, share price fluctuations and compliance requirements associated with maintaining the listing status of the Company.

The listing platform has not been utilised effectively for any equity fund raising activities for the last five years. Due to the uncertainty over the Company's profitability brought by the negative economic headwind, heightening of geopolitical risks and COVID-19 which may have contributed to the underperformance of the Company's share price and the low liquidity in the trading of Shares, the Board considers that the ability of the Company to raise funds from the equity capital markets is limited and the current listing platform no longer serves as a practical channel for fund raising for the Group's business and long-term growth. The directors of the Company have been striving to reduce

corporate costs. The listing of the Company involves administrative, compliance and other listing-related costs and expenses being incurred. If the Proposal is successful, these costs and expenses would be eliminated.

Given that the Offeror and Offeror Concert Parties hold approximately 77.07% of the issued share capital of the Company and the Offeror has indicated that it holds such Shares as a long-term investment, it is unlikely that there will be proposals from third parties for the Shares held by the Scheme Shareholders.

INTENTION OF THE OFFEROR WITH REGARD TO THE COMPANY

Following the implementation of the Proposal, the Offeror intends that the Group will continue to carry on its property development business, property investment and leasing business and renewable energy business. The Offeror has no intention to have the Shares listed in other markets and to make major changes to the business of the Group and the employment of the employees of the Group, save for those changes which the Offeror may from time to time implement following the review of its strategy relating the business, structure and/or direction of the Group.

INFORMATION ON THE OFFEROR

The Offeror is a company incorporated in the BVI and is an investment holding company. The Offeror is ultimately beneficially owned as to 50% by Mr. OEI, who is the chairman and chief executive officer of the Company, and as to the remaining 50% by his wife, Mrs. OEI Valonia Lau. The main assets of the Offeror are the Shares it holds in the Company as well as other listed investments.

The directors of the Offeror are Mr. OEI and Mrs. OEI Valonia Lau.

INFORMATION ON THE COMPANY

The Group is principally engaged in the business of property development and investment mainly in the PRC. It also invests, through its 56.00% owned subsidiary, China Renewable Energy Investment Limited (stock code: 987), in renewable energy projects in the PRC.

WITHDRAWAL OF LISTING OF SHARES

Upon the Scheme becoming effective, all the Scheme Shares will be cancelled. Share certificates for the Shares held by the Scheme Shareholders will thereafter cease to have effect as documents or evidence of title. The Company will make an application for the listing of the Shares to be withdrawn from the Stock Exchange in accordance with Rule 6.15 of the Listing Rules, subject to the Scheme becoming effective, with effect from the Effective Date.

The Scheme Shareholders will be notified by way of an announcement of the exact dates of the Court Meeting and the SGM to approve and give effect to the Scheme, the last day for dealing in the Shares and the day on which the Scheme and the withdrawal of the listing of the Shares on the Stock Exchange will become effective and the date for the payment of the Second Interim Dividend. A detailed timetable of the implementation of the Proposal will be included in the Scheme Document.

Subject to the requirements of the Takeovers Code, the Proposal will lapse if any of the Conditions has not been fulfilled or waived, as applicable, on or before the Long Stop Date (or such later date as the Offeror and the Company may agree or, to the extent applicable, as the Executive may consent and/or the Court may direct). If the Scheme is not approved or the Proposal otherwise lapses, the listing of the Shares on the Stock Exchange will not be withdrawn.

If the Scheme is not approved or the Proposal otherwise lapses, there are restrictions under the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with it in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may, within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses, announce an offer or possible offer for the Company, except with the consent of the Executive. The Offeror has no intention to seek such consent.

OVERSEAS SCHEME SHAREHOLDERS

The making and implementation of the Proposal to the Scheme Shareholders who are not residents in Hong Kong may be affected by the applicable laws of the relevant jurisdictions. Any Scheme Shareholders who are not residents in Hong Kong should inform themselves about and observe any applicable requirements in their own jurisdictions.

It is the responsibility of any overseas Scheme Shareholders wishing to take any action in relation to the Proposal to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, the compliance with the necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction.

Any acceptance by the Scheme Shareholders will be deemed to constitute a representation and warranty from such persons to the Offeror and the Company and their respective advisers, including Somerley Capital Limited, the financial adviser to the Offeror, that those laws and regulatory requirements have been complied with.

In the event that the receipt of the Scheme Document by Scheme Shareholders is prohibited by any relevant law or regulation or may only be effected after compliance with conditions or requirements that the directors of the Offeror or the Company regard

as unduly onerous or burdensome (or otherwise not in the best interests of the Offeror or the Company or their respective shareholders), the Scheme Document may not be despatched to such overseas Scheme Shareholders. For that purpose, the Company will apply for a waiver pursuant to Note 3 to Rule 8 of the Takeovers Code at such time. Any such waiver will only be granted if the Executive is satisfied that it would be unduly burdensome to despatch the Scheme Document to such overseas Scheme Shareholders. In granting the waiver, the Executive will be concerned to see that all material information in the Scheme Document is made available to such Scheme Shareholders. If any such waiver is granted by the Executive, the Offeror and the Company reserve the right to make arrangements in respect of Shareholders not resident in Hong Kong in relation to the Proposal. Such arrangements may include notifying any matter in connection with the Scheme or Proposal to the Shareholders having a registered overseas address by announcement or by advertisement in a newspaper which may or may not be circulated in the jurisdiction within which such Shareholders are resident. The notice will be deemed to have been sufficiently given despite any failure by such Shareholders to receive or see that notice.

TAXATION ADVICE

Scheme 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 Proposal. It is emphasised that none of the Offeror, the Company, Somerley Capital Limited or any of their respective directors, officers or associates or any other person involved in the Proposal accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of the implementation of the Proposal.

SCHEME DOCUMENT

A Scheme Document including, among other things, further details of the Proposal, an explanatory statement, the expected timetable relating to the Proposal, the recommendations of the Independent Board Committee, the letter of advice from an independent financial adviser to be appointed to advise the Independent Board Committee and notices of the Court Meeting and the SGM will be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code and applicable laws and regulations.

The Scheme Document will contain important information and the Scheme Shareholders are urged to read the Scheme Document carefully before casting any vote at (or providing any proxy in respect of) the Court Meeting or the SGM.

DISCLOSURE OF DEALINGS

Associates (as defined in the Takeovers Code) of the Offeror and the Company are reminded to disclose their dealings in the Shares. In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

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

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

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in any 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.”

GENERAL

As at the date of this joint announcement:

- (a) other than the Cancellation Price for each Scheme Share cancelled payable under the Scheme, the Offeror or the Offeror Concert Parties have not paid and will not pay any other consideration, compensation or benefit in whatever form to the Scheme Shareholders or persons acting in concert with them in relation to the Scheme Shares;
- (b) there is no special deal (as defined under Rule 25 of the Takeovers Code) between the Offeror and the Offeror Concert Parties on one hand and the Scheme Shareholders and persons acting in concert with them on the other hand; and
- (c) there is no special deal (as defined under Rule 25 of the Takeovers Code) between (i) any shareholder of the Company; and (ii) the Company, its subsidiaries or associated companies.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading of Shares on the Stock Exchange was suspended from 9:00 a.m. on 13 January 2021, pending the issue of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading of Shares on the Stock Exchange with effect from 9:00 a.m. on 18 January 2021.

DEFINITIONS

In this joint announcement, the following expressions have the meanings set forth below unless the context requires otherwise.

“acting in concert”	has the meaning given in the Takeovers Code
“Associates”	has the meaning given in the Takeovers Code
“Authorisations”	all necessary notifications, registrations, applications, filings, authorisations, orders, recognitions, grants, waivers and consents, licences, confirmations, clearances, permissions, no-action relief, exemption relief orders and approvals (including without limitation any which are required or desirable under or in connection with any applicable laws and regulations or any licenses, permits or contractual obligations of the Company), and all appropriate waiting periods (including extensions thereof), in connection with the Proposal
“Board”	the board of directors of the Company
“BVI”	British Virgin Islands
“Cancellation Price”	a price of HK\$8.00 per Scheme Share payable in cash to the Scheme Shareholders pursuant to the Scheme
“Companies Act”	the Companies Act 1981 of Bermuda, as amended
“Company”	HKC (Holdings) Limited, an exempted company incorporated in Bermuda with limited liability, whose shares are listed on the Main Board of the Stock Exchange (stock code: 190)
“Condition(s)”	the condition(s) of the Proposal, as set out in the section of this joint announcement above headed “Conditions of the Proposal and the Scheme”
“Court”	the Supreme Court of Bermuda

“Court Meeting”	a meeting of the holders of Scheme Shares to be convened at the direction of the Court, at which the Scheme (with or without modification) will be voted upon, or any adjournment thereof
“Disinterested Scheme Shareholder(s)”	Scheme Shareholder(s) other than the Offeror Concert Parties
“Dividend Record Date”	the earlier of the Scheme Record Date or 30 June 2021
“Effective Date”	the date on which the Scheme becomes effective in accordance with the Companies Act and the Conditions
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate thereof
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Company formed to advise the Disinterested Scheme Shareholders on the Proposal
“Last Trading Date”	12 January 2021, being the last trading day prior to the suspension of trading of Shares pending the issue of this joint announcement
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange
“Long Stop Date”	30 September 2021 or such later date as the Offeror and the Company may agree or, to the extent applicable, as the Court may direct and, in all cases, as permitted by the Executive and the Court
“Mr. OEI”	Mr. OEI Kang, Eric, chairman and chief executive officer of the Company and a controlling Shareholder
“NAV per Share”	the audited or unaudited consolidated net value attributable to Shareholders divided by the number of Shares in issue, as announced by the Company from time to time

“Offeror”	Genesis Ventures Limited, a company incorporated in the BVI with liability limited by shares, which is ultimately beneficially owned as to 50% by Mr. OEI and 50% by his wife, Mrs. OEI Valonia Lau
“Offeror Concert Party(ies)”	persons acting in concert with the Offeror in relation to the Company as defined under the Takeovers Code (including Mr. OEI and his wife, Mrs. OEI Valonia Lau, Creator Holdings Limited, Genesis Capital Group Limited, Mr. OEI Tjie Goan, the father of Mr. OEI, and Mr. LEE Shiu Yee, Daniel and Mr. WONG Jake Leong, Sammy, both executive directors of the Company)
“PRC”	the People’s Republic of China
“Proposal”	the proposal for the privatisation of the Company by the Offeror by way of the Scheme as described in this joint announcement
“Registrar of Companies”	the Registrar of Companies in Bermuda
“Relevant Authorities”	competent governments and/or governmental bodies, regulatory bodies, courts or institutions
“Scheme”	a scheme of arrangement to be proposed under section 99 of the Companies Act between the Company and the Scheme Shareholders involving cancellation of all the Scheme Shares with or subject to any modification, addition or condition which may be approved or imposed by the Court
“Scheme Document”	the scheme document to be issued by the Company to the Shareholders in relation to the Scheme
“Scheme Record Date”	the appropriate record date to be announced for determining entitlements of the Scheme Shareholders under the Scheme
“Scheme Shareholder(s)”	registered holder(s) of the Scheme Shares as at the Scheme Record Date
“Scheme Share(s)”	Share(s), other than those held by the Offeror, Creator Holdings Limited and Genesis Capital Group Limited

“Second Interim Dividend”	a second interim dividend of 13 HK cents declared by the Board on 13 January 2021 in lieu of a final dividend for the year ended 31 December 2020, payable to the Shareholders whose names appear on the register of members of the Company on the Dividend Record Date
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened and held immediately following the Court Meeting to consider all necessary resolutions for, amongst other things, the implementation of the Proposal, or any adjournment thereof
“Share(s)”	ordinary share(s) of par value HK\$0.25 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

By order of the board of
Genesis Ventures Limited
OEI Kang, Eric
Director

By order of the board of
HKC (HOLDINGS) LIMITED
LEUNG Wing Sum, Samuel
Executive Director

Hong Kong, 17 January 2021

As at the date of this joint announcement, the Board comprises seven Directors, of which Mr. OEI Kang, Eric, Mr. LEE Shiu Yee, Daniel, Mr. WONG Jake Leong, Sammy and Mr. LEUNG Wing Sum, Samuel are Executive Directors; and Mr. CHENG Yuk Wo, Mr. Albert Thomas DA ROSA, Junior and Mr. VOON Hian-fook, David are Independent Non-executive Directors.

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Offeror) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by directors of the Offeror in their capacity as the directors 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, the directors of the Offeror are Mr. OEI Kang, Eric and Mrs. OEI Valonia Lau.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the directors of the Company in their capacity as the directors of the Company) 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.

** For identification purposes only*