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*This joint announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company and the Offeror.*



**BETA DYNAMIC LIMITED** **Great Wall Belt & Road Holdings Limited**  
*(Incorporated in the British Virgin Islands* **長城一帶一路控股有限公司**  
*with limited liability)* *(Incorporated in Bermuda with limited liability)*  
**(Stock Code: 524)**

## **JOINT ANNOUNCEMENT**

**(1) DEED OF PURCHASE OF SHARES IN  
GREAT WALL BELT & ROAD HOLDINGS LIMITED  
BY BETA DYNAMIC LIMITED;**

**(2) MANDATORY UNCONDITIONAL CASH OFFER  
BY OPTIMA CAPITAL LIMITED ON BEHALF OF  
BETA DYNAMIC LIMITED  
TO ACQUIRE ALL THE ISSUED SHARES IN  
GREAT WALL BELT & ROAD HOLDINGS LIMITED  
(OTHER THAN THOSE OWNED OR AGREED TO BE ACQUIRED BY  
BETA DYNAMIC LIMITED  
AND PARTIES ACTING IN CONCERT WITH IT);**

**(3) APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER TO  
THE INDEPENDENT BOARD COMMITTEE;**

**AND**

**(4) RESUMPTION OF TRADING**

**Financial adviser to Beta Dynamic Limited**

  
**Optima Capital Limited**

**Independent financial adviser to the Independent Board Committee**

**ALTUS CAPITAL LIMITED**

Reference is made to the Rule 3.7 Announcement and the subsequent monthly update announcement dated 23 December 2020 issued by the Company. As disclosed in the Rule 3.7 Announcement, the Board received a letter regarding the appointment of the Receiver by the Chargee over an aggregate of 533,500,000 issued Shares pursuant to various share charges entered into between the Chargors as chargors and the Chargee as chargee, and the offer period has commenced on the date of the Rule 3.7 Announcement (i.e. 25 November 2020) pursuant to the Takeovers Code.

The Board was informed that after the Stock Exchange trading hours on 18 January 2021, the Receiver, the Offeror and Mr. Cheung entered into the Deed, pursuant to which the Receiver (pursuant to the exercise of his power as receiver of the Sale Shares) agreed to sell, and the Offeror agreed to purchase, the Sale Shares, which represent approximately 50.80% of the total issued share capital of the Company as at the date of this joint announcement. The consideration for the Sale Shares is HK\$90,000,000 (equivalent to approximately HK\$0.16869 per Sale Share) and has been fully settled by the Offeror in cash.

Completion took place on 20 January 2021.

#### **MANDATORY UNCONDITIONAL CASH OFFER**

Immediately following Completion, the Offeror and parties acting in concert it own an aggregate of 533,500,000 Shares, representing approximately 50.80% 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, the Offeror is required to make a mandatory unconditional cash offer for all the issued Shares (other than those owned or agreed to be acquired by the Offeror and parties acting in concert with it).

Optima Capital will, on behalf of the Offeror, make the Offer on the following basis:

For each Offer Share . . . . . HK\$0.1687 in cash

The Offer Price of HK\$0.1687 per Offer Share under the Offer is determined at a price of no less than the consideration per Sale Share of approximately HK\$0.16869 payable by the Offeror under the Deed.

The Offer, when made, will be unconditional in all respects.

#### **DESPATCH OF OFFER DOCUMENT**

Pursuant to Rule 8.2 of the Takeovers Code, within 21 days after the date of this joint announcement or such later date as the Executive may approve, the Offeror shall despatch an offer document in relation to the Offer to the Shareholders. The Company is required to send a response document to the Shareholders within 14 days from the posting of the offer document, unless the Executive consents to a later date and the Offeror agrees to extend the closing date of the Offer.

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

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Huang Tao, Mr. Fong Wai Ho, Mr. Leung Wai Kei and Mr. Lam Chik Shun Marcus, who have no direct or indirect interest in the Offer, has been established by the Company in accordance with Rule 2.1 and Rule 2.8 of the Takeovers Code to make a recommendation to the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to acceptance of the Offer.

Altus Capital has been appointed as the independent financial adviser to advise the Independent Board Committee in connection with the Offer and as to its acceptance. The appointment of the Independent Financial Adviser has been approved by the Independent Board Committee.

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange has been halted with effect from 9:00 a.m. on 19 January 2021 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 22 January 2021.

## **WARNING**

**Shareholders and potential investors of the Company should exercise caution when dealing in the Shares. If Shareholders and potential investors are in any doubt about their position, they should consult their stockbroker, bank manager, solicitor or other professional advisers.**

Reference is made to the Rule 3.7 Announcement and the subsequent monthly update announcement dated 23 December 2020 issued by the Company. As disclosed in the Rule 3.7 Announcement, the Board received a letter regarding the appointment of the Receiver by the Chargee over an aggregate of 533,500,000 issued Shares pursuant to various share charges entered into between the Chargors as chargors and the Chargee as chargee, and the offer period has commenced on the date of the Rule 3.7 Announcement (i.e. 25 November 2020) pursuant to the Takeovers Code.

The Board was informed that after the Stock Exchange trading hours on 18 January 2021, the Receiver, the Offeror and Mr. Cheung entered into the Deed, pursuant to which the Receiver (pursuant to the exercise of his power as receiver of the Sale Shares) agreed to sell, and the Offeror agreed to purchase, the Sale Shares. Completion took place on 20 January 2021.

Details of the Deed are set out below.

## **THE DEED**

### **Date**

18 January 2021

### **Parties**

- (a) Beta Dynamic Limited, as the purchaser;
- (b) Mr. Cheung, as the purchaser's guarantor; and
- (c) Mr. Yuen Tsz Chun, Frank, appointed as the receiver over the Sale Shares.

### **Subject matter**

Pursuant to the Deed, the Receiver, pursuant to the exercise of his power as receiver of the Sale Shares, agreed to sell, and the Offeror agreed to purchase, the Sale Shares, comprising an aggregate of 533,500,000 Shares, representing approximately 50.80% 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 with all rights attached thereto including the right to receive all dividends and distributions declared, made or paid on or after the date of Completion.

Completion took place on 20 January 2021.

### **Consideration**

The consideration for the Sale Shares is HK\$90,000,000 (equivalent to approximately HK\$0.16869 per Sale Share) and has been settled by the Offeror in cash as follows:

- (a) a sum of HK\$18,000,000, representing 20% of the consideration, was paid to the Receiver on 17 December 2020 upon the submission of a bid in respect of the Sale Shares as earnest money, which has been applied as part payment of the consideration upon Completion; and
- (b) the balance of HK\$72,000,000 was paid to the Receiver on Completion.

### **Guarantee**

Mr. Cheung has guaranteed to the Receiver the punctual performance by the Offeror of all its obligations, warranties and undertakings contained in the Deed and in all the other documents entered into in relation to or in connection with the Deed.

## **USE OF PROCEEDS BY THE CHARGEES**

On 16 January 2019, Mr. Cheung granted an unsecured loan in the principal amount of HK\$105 million to the Chargee. The outstanding balance of the principal and accrued interest of the loan as at the date of this joint announcement is approximately HK\$89.3 million in aggregate, which will be repaid by the Chargee after the Chargee receives the consideration for the sale of the Sale Shares from the Receiver upon Completion.

## **MANDATORY UNCONDITIONAL CASH OFFER**

Immediately before Completion, the Offeror and parties acting in concert with it did not own, control or have direction over any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

Immediately following Completion and as at the date of this joint announcement, the Offeror and parties acting in concert with it own an aggregate of 533,500,000 Shares, representing approximately 50.80% 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, the Offeror is required to make a mandatory unconditional cash offer for all the issued Shares (other than those owned or agreed to be acquired by the Offeror and parties acting in concert with it).

Optima Capital will, on behalf of the Offeror, make the Offer on the following basis:

For each Offer Share . . . . . HK\$0.1687 in cash

The Offer Price of HK\$0.1687 per Offer Share under the Offer is determined at a price of no less than the consideration per Sale Share of approximately HK\$0.16869 paid by the Offeror under the Deed.

The Offer, when made, will be unconditional in all respects.

As at the date of this joint announcement, the Company has 1,050,280,000 Shares in issue and does not have any outstanding options, derivatives, warrants or other securities which may confer to the holder(s) thereof any right to subscribe for, or convert or exchange into Shares.

### **Comparison of the Offer Price**

The Offer Price of HK\$0.1687 per Offer Share represents:

- (a) a discount of approximately 23.0% to the closing price of HK\$0.219 per Share as quoted on the Stock Exchange on 24 November 2020, which was the last trading day immediately prior to the date of the Rule 3.7 Announcement;
- (b) a discount of approximately 30.6% to the closing price of HK\$0.243 per Share as quoted on the Stock Exchange on the Last Trading Day;

- (c) a discount of approximately 37.7% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day of approximately HK\$0.271 per Share;
- (d) a discount of approximately 45.9% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the 10 consecutive trading days up to and including the Last Trading Day of approximately HK\$0.312 per Share; and
- (e) a premium of approximately 454.9% over the unaudited consolidated net asset value per Share as at 30 June 2020 of approximately HK\$0.0304 (which is calculated by dividing the unaudited consolidated equity attributable to equity holders of the Company as at 30 June 2020 of approximately HK\$31,947,000 as shown in the Company's interim report by 1,050,280,000 Shares then in issue).

### **Highest and lowest closing prices of the Shares**

The highest and the lowest closing price of the Shares as quoted on the Stock Exchange during the six-month period immediately prior to 25 November 2020, being the date of the Rule 3.7 Announcement, and thereafter up to and including the Last Trading Day were HK\$0.405 per Share on 24 December 2020 and HK\$0.081 on 28 May 2020, respectively.

### **Total value of the Offer**

As at the date of this joint announcement, there are 1,050,280,000 Shares in issue. Based on the Offer Price of HK\$0.1687 per Share, the entire issued share capital of the Company is valued at approximately HK\$177.2 million. Excluding the Sale Shares (i.e. 533,500,000 Shares) acquired by the Offeror under the Deed and on the basis that there will be no change in the issued share capital of the Company from the date of this joint announcement to the closing date of the Offer, a total of 516,780,000 Shares will be subject to the Offer. Accordingly, the maximum cash consideration payable by the Offeror under the Offer will be approximately HK\$87.2 million.

### **Financial resources available to the Offeror**

The Offeror intends to finance the maximum cash consideration payable under the Offer of approximately HK\$87.2 million by its internal resources.

Optima Capital, being the financial adviser to the Offeror, is satisfied that there are sufficient financial resources available to the Offeror to satisfy the amount of funds required for full acceptance of the Offer.

### **Effect of accepting the Offer**

By accepting the Offer, the Shareholders shall sell their Shares free from all encumbrances and with all rights and benefits at any time accruing and attached to them, including the rights to receive all dividends and distributions declared, made or paid on or after the date on which the Offer is made. The Company did not declare any dividend for the year ended 31 December 2019 and for the six months ended 30 June 2020.

Acceptances of the Offer shall be irrevocable and shall not be capable of being withdrawn, subject to the provisions of the Takeovers Code.

**Shareholders are reminded to read the letter from the Independent Board Committee containing its recommendations to the Independent Shareholders in respect of the Offer and the letter from the Independent Financial Adviser containing its advice to the Independent Board Committee in respect of the Offer which will be included in the Company's response document to be despatched to the Shareholders before making decisions as regards the Offer.**

### **Payment**

Payment in cash in respect of acceptances of the Offer will be made as soon as possible but within seven (7) Business Days following the date on which the duly completed form of acceptance of the Offer and the relevant documents of title of the Offer Shares in respect of such acceptance are received by or for the Offeror to render each such acceptance complete and valid. No fractions of a cent will be payable and the amount of the consideration payable to a Shareholder who accepts the Offer will be rounded up to the nearest cent.

### **Overseas Shareholders**

As the Offer to persons not resident in Hong Kong may be affected by the laws of the relevant jurisdictions in which they are resident, Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the responsibility 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 jurisdictions 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 jurisdictions).

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

## **Stamp duty**

In Hong Kong, seller's ad valorem stamp duty payable by the Shareholders who accept the Offer and calculated at a rate of 0.1% of the market value of the Offer Shares or consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, will be deducted from the amount payable by the Offeror to the relevant Shareholders on the acceptance of the Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the Shareholders who accept the Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Offer Shares.

## **Taxation advice**

Shareholders are recommended to consult their own professional advisers as to the taxation implications of accepting or rejecting the Offer. None of the Offeror and their respective advisers accepts any responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

## **OTHER DISCLOSURES**

As at the date of this joint announcement:

- (a) save for the Sale Shares acquired under the Deed, neither the Offeror nor parties acting in concert with it own or have control or direction over any voting rights in and rights over any Shares;
- (b) the Offeror and parties acting in concert with it have not received any irrevocable commitment to accept or reject the Offer;
- (c) the Offeror and parties acting in concert with it do not hold any convertible securities, warrants, options or derivatives in the Company;
- (d) the Offeror and parties acting in concert with it have not entered into any outstanding derivatives in the securities of the Company;
- (e) there are no arrangements (whether by way of option, indemnity or otherwise) in relation to the shares of the Offeror or the Shares and which might be material to the Offer (as referred to in Note 8 to Rule 22 of the Takeovers Code);
- (f) there are no agreements or arrangements to which the Offeror is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer;
- (g) the Offeror and parties acting in concert with it have not borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;



- (h) apart from the consideration paid by the Offeror in respect of the Sale Shares, there is no other consideration, compensation or benefit in whatever form paid or to be paid by the Offeror or any parties acting in concert with it to the Receiver or the Chargee in connection with the Acquisition; and
- (i) save for the Deed, there is no other understanding, arrangement, agreement or special deal between the Offeror or any party acting in concert with it on the one hand, and the Receiver or the Chargee and any party acting in concert with any of them on the other.

The Offeror further confirms that none of the Offeror and parties acting in concert with it has dealt for value in any Shares, or any convertible securities, warrants, options or derivatives in respect of the Shares during the six-month period prior to the date of the Rule 3.7 Announcement.

As at the date of this joint announcement, there are the following agreements between Zhejiang Qingfeng Yuansheng Culture Limited (浙江清風原生文化有限公司) (formerly known as Great Wall Film & Culture Company Group Limited (長城影視文化企業集團有限公司)) (which was interested in 21.22% shareholding in the Company through Great Wall Belt & Road (HK) Limited prior to Completion) and Mr. Zhao Ruiyong (who was interested in 21.22% shareholding in the Company through Zhejiang Qingfeng Yuansheng Culture Limited (浙江清風原生文化有限公司) and Great Wall Belt & Road (HK) Limited prior to Completion) on the one hand and the Company, its subsidiaries or associated companies on the other:

- (i) B&R Investment Holding Limited (a wholly-owned subsidiary of the Company) and Zhejiang Qingfeng Yuansheng Culture Limited (浙江清風原生文化有限公司) (formerly known as Great Wall Film & Culture Company Group Limited (長城影視文化企業集團有限公司)) entered into a joint venture agreement on 8 September 2017 pursuant to which they formed a joint venture company named Wusu Silk Road Small Towns Cultural Tourism Company Limited (烏蘇絲路小鎮文旅有限公司); and
- (ii) the Company and Mr. Zhao Ruiyong entered into a loan agreement on 30 August 2019 pursuant to which Mr. Zhao Ruiyong agreed to provide an unsecured and interest-free loan in the principal amount of up to HK\$38,000,000 to the Company. The maturity date of the loan is 31 March 2021. As at the date of this joint announcement, the Company had drawn the loan amounts of HK\$2,377,796 from this loan facility. The Company does not intend to repay any part of the principal amount of loan prior to its stated maturity or to agree with Mr. Zhao Ruiyong any change of the terms of the loan agreement except in compliance with Rule 25 of the Takeovers Code.

## SHAREHOLDING STRUCTURE OF THE COMPANY

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

| Name of Shareholder                                 | Immediately before Completion |               | Immediately following Completion and as at the date of this joint announcement |               |
|-----------------------------------------------------|-------------------------------|---------------|--------------------------------------------------------------------------------|---------------|
|                                                     | Number of Shares              | %             | Number of Shares                                                               | %             |
| Great Wall Belt & Road (HK) Limited (Notes 1 and 2) | 222,820,000                   | 21.22         | –                                                                              | –             |
| Pang Ming (Note 2)                                  | 65,900,000                    | 6.27          | –                                                                              | –             |
| Tsao Fai Freddy (Note 2)                            | 61,420,000                    | 5.85          | –                                                                              | –             |
| Wong Hok Man (Note 2)                               | 53,330,000                    | 5.08          | –                                                                              | –             |
| Ho Man Kei (Note 2)                                 | 19,470,000                    | 1.85          | –                                                                              | –             |
| Ng Ka Yung (Note 2)                                 | 42,650,000                    | 4.06          | –                                                                              | –             |
| Mak Ka Man (Note 2)                                 | 12,620,000                    | 1.20          | –                                                                              | –             |
| Leung Pak Kei (Note 2)                              | 41,750,000                    | 3.98          | –                                                                              | –             |
| Zou Yayan (Note 2)                                  | 13,540,000                    | 1.29          | –                                                                              | –             |
| The Offeror                                         | –                             | –             | 533,500,000                                                                    | 50.80         |
| Other public Shareholders                           | 516,780,000                   | 49.20         | 516,780,000                                                                    | 49.20         |
| <b>Total</b>                                        | <b>1,050,280,000</b>          | <b>100.00</b> | <b>1,050,280,000</b>                                                           | <b>100.00</b> |

Notes:

1. Great Wall Belt & Road (HK) Limited is wholly owned by Zhejiang Qingfeng Yuansheng Culture Limited (浙江清風原生文化有限公司) (formerly known as Great Wall Film & Culture Company Group Limited (長城影視文化企業集團有限公司)), which is in turn owned as to 66.67% and 33.33% by Mr. Zhao Ruiyong (an executive Director) and Mr. Zhao Feifan respectively.
2. The shareholding of the Chargors are based on the information obtained by the Offeror from the Receiver.

Based on the information obtained by the Offeror from the Receiver, the Chargors, namely Great Wall Belt & Road (HK) Limited, Pang Ming, Tsao Fai Freddy, Wong Hok Man, Ho Man Kei, Ng Ka Yung, Mak Ka Man, Leung Pak Kei and Zou Yayan, entered into various share charges with the Chargee on 23 January 2019 over 533,500,000 Shares in aggregate held by the Chargors, representing approximately 50.80% of the total issued share capital of the Company. Accordingly, the Chargee had a security interest in such 533,500,000 Shares before Completion.

## **INFORMATION ON THE OFFEROR**

The Offeror is an investment holding company incorporated in the British Virgin Islands with limited liability and is wholly and beneficially owned by Mr. Cheung.

Mr. Cheung is an executive Director, and the sole shareholder and the sole director of the Offeror. He holds a Master's Degree in Business Administration from The Chinese University of Hong Kong and a Bachelor's Degree in Electronic Engineering from The Hong Kong Polytechnic University. He co-founded and is a director of Hammer Capital Asset Management Limited. Prior to founding Hammer Capital Asset Management Limited, he was the Head of Asia Pacific of the Strategic Equity Solutions of Merrill Lynch (Asia Pacific) Limited. He was also previously Head of Asia Pacific of the Strategic Equity Solutions and the Managing Director of Structured Products Sales of Asia Pacific of Citigroup Global Markets Asia Limited. He also held positions in investment banks in Asia Pacific like Calyon Corporate & Investment Bank (presently known as Crédit Agricole Corporate & Investment Bank) and JPMorgan Chase & Co..

Mr. Cheung has become a Director since February 2020. At the request of the Company, Mr. Cheung and the Company entered into a loan agreement on 19 October 2020 pursuant to which Mr. Cheung agreed to provide an unsecured loan in the principal amount of up to HK\$10,000,000 to the Company with interest accruing at the rate of 12% per annum. The principal and interest accrued under the loan are repayable on demand. As at the date of this joint announcement, the full amount of the loan has been drawn by the Company and remains outstanding. As at the date hereof, save as disclosed above, there is no other understanding, arrangement, agreement or special deal between any Shareholder and (a) the Offeror and any party acting in concert with it, or (b) the Company, its subsidiaries or associated companies.

## **INTENTION OF THE OFFEROR IN RELATION TO THE COMPANY**

As disclosed in the section headed "Information of the Group" below, the Group has a portfolio of business interests in the telecommunications, information technology, financial solution, software development and distribution sectors in Hong Kong, Singapore and the People's Republic of China.

Immediately following Completion, the Offeror has become the controlling shareholder of the Company. It is the intention of the Offeror to continue with the Group's existing principal businesses. The Offeror will conduct a detailed review on the business and operations of the Group in order to formulate a long-term strategy for the Group, and propose any changes it deems necessary or appropriate to the Group's business and operations to enhance the value of the Group and strengthen its revenue. As at the date of this joint announcement, the Offeror has no plan, and has not engaged in any discussion or negotiation, on any injection of any assets or businesses into the Group, and has no intention to discontinue the employment of any employees by virtue only of the change of control of the Company, or to dispose of or re-deploy the assets of the Group.

## BOARD COMPOSITION OF THE COMPANY

As at the date of this joint announcement, the Board comprises three executive Directors, namely Mr. Zhao Ruiyong, Mr. Cheung Ka Heng Frankie and Mr. Cheung, and four independent non-executive Directors, namely Mr. Huang Tao, Mr. Fong Wai Ho, Mr. Leung Wai Kei and Mr. Lam Chik Shun Marcus.

The Offeror will consider the composition of the Board including nominating new Directors to the Board with effect from the earliest time permitted under the Takeovers Code and any such appointment will be made in compliance with the Takeovers Code and the Listing Rules. As at the date of this joint announcement, the Offeror has not decided on the candidates to be nominated. Further announcement(s) will be made by the Company regarding changes in the Board composition as and when appropriate.

The Offeror notes the Company's announcements dated 5 January 2021 and 20 January 2021 in relation to certain disciplinary actions taken by regulatory bodies in China against Mr. Zhao Ruiyong, an executive Director. Mr. Cheung, as a Director, will continue to work with other members of the Board to consider appropriate actions, if any, to be taken in due course to serve the best interests of the Company and the Shareholders.

## INFORMATION ON THE GROUP

### Principal business

The Group has a portfolio of business interests in the telecommunications, information technology, financial solution, software development and distribution sectors in Hong Kong, Singapore and the People's Republic of China.

### Financial information

Set out below is a summary of the audited consolidated results of the Group for the two financial years ended 31 December 2018 and 2019 as extracted from the annual report of the Company for the year ended 31 December 2019, and the unaudited consolidated results of the Group for the six months ended 30 June 2020 as extracted from the interim report of the Company for the six months ended 30 June 2020, respectively.

|                                                                                | <b>For the<br/>six months ended<br/>30 June 2020</b> | <b>For the<br/>year ended<br/>31 December 2019</b> | <b>For the<br/>year ended<br/>31 December 2018</b> |
|--------------------------------------------------------------------------------|------------------------------------------------------|----------------------------------------------------|----------------------------------------------------|
|                                                                                | <i>HK\$'000</i>                                      | <i>HK\$'000</i>                                    | <i>HK\$'000</i>                                    |
|                                                                                | <i>Unaudited</i>                                     | <i>Audited</i>                                     | <i>Audited</i>                                     |
| Revenue                                                                        | 40,439                                               | 79,210                                             | 67,920                                             |
| Profit/(loss) before tax                                                       | 27,959                                               | (234,115)                                          | (15,123)                                           |
| Profit/(loss) after tax<br>attributable to equity<br>holders of the<br>Company | 28,031                                               | (219,027)                                          | (11,727)                                           |

The unaudited consolidated equity attributable to equity holders of the Company as at 30 June 2020 was approximately HK\$31,947,000.

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

The Offeror intends to maintain the listing of the Shares on the Stock Exchange.

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 issued Shares are held by the public, or if the Stock Exchange believes that:

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

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

The sole director of the Offeror and the new Directors to be appointed to 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.

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

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Huang Tao, Mr. Fong Wai Ho, Mr. Leung Wai Kei and Mr. Lam Chik Shun Marcus, who have no direct or indirect interest in the Offer, has been established by the Company in accordance with Rule 2.1 and Rule 2.8 of the Takeovers Code to make a recommendation to the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to acceptance of the Offer.

Altus Capital has been appointed as the independent financial adviser to advise the Independent Board Committee in connection with the Offer and as to its acceptance. The appointment of the Independent Financial Adviser has been approved by the Independent Board Committee.

## **DESPATCH OF OFFER DOCUMENT**

Pursuant to Rule 8.2 of the Takeovers Code, within 21 days after the date of this joint announcement or such later date as the Executive may approve, the Offeror shall despatch an offer document in relation to the Offer to the Shareholders. The Company is required to send a response document to the Shareholders within 14 days from the posting of the offer document, unless the Executive consents to a later date and the Offeror agrees to extend the closing date of the Offer.

## **DEALING DISCLOSURES**

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

The full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below pursuant to Rule 3.8 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 relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange has been halted with effect from 9:00 a.m. on 19 January 2021 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 22 January 2021.

## WARNING

**Shareholders and potential investors of the Company should exercise caution when dealing in the Shares. If Shareholders and potential investors are in any doubt about their position, they should consult their stockbroker, bank manager, solicitor or other professional advisers.**

## DEFINITIONS

In this joint announcement, the following expressions have the meaning set out below, unless the context requires otherwise:

|                     |                                                                                                                                                                                                    |
|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Acquisition”       | the acquisition of the Sale Shares by the Offeror from the Receiver (pursuant to the exercise of his power as receiver of the Sale Shares) pursuant to the Deed                                    |
| “acting in concert” | has the same meaning ascribed thereto under the Takeovers Code                                                                                                                                     |
| “associate(s)”      | has the same meaning ascribed thereto under the Listing Rules                                                                                                                                      |
| “Board”             | the board of Directors                                                                                                                                                                             |
| “Business Day”      | a day on which the Stock Exchange is open for the transaction of business                                                                                                                          |
| “Chargee”           | Ms. Tam Yuk Ching Jenny                                                                                                                                                                            |
| “Chargors”          | Great Wall Belt & Road (HK) Limited, Pang Ming, Tsao Fai Freddy, Wong Hok Man, Ho Man Kei, Ng Ka Yung, Mak Ka Man, Leung Pak Kei and Zou Yayan                                                     |
| “Company”           | Great Wall Belt & Road Holdings Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 524) |
| “Completion”        | completion of the Acquisition in accordance with the terms of the Deed                                                                                                                             |
| “Deed”              | the deed of share purchase dated 18 January 2021 and entered into among the Receiver, the Offeror and Mr. Cheung in relation to the Acquisition                                                    |

|                                                    |                                                                                                                                                                                                                                                                                                                                            |
|----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Director(s)”                                      | director(s) of the Company from time to time                                                                                                                                                                                                                                                                                               |
| “Executive”                                        | the Executive Director of the Corporate Finance Division of the SFC from time to time and any delegate of such executive director                                                                                                                                                                                                          |
| “Group”                                            | the Company and its subsidiaries                                                                                                                                                                                                                                                                                                           |
| “Hong Kong”                                        | the Hong Kong Special Administrative Region of the People’s Republic of China                                                                                                                                                                                                                                                              |
| “Independent Board Committee”                      | the independent committee of the Board, comprising all the independent non-executive Directors who have no direct or indirect interest in the Offer, which has been formed for the purpose of advising the Independent Shareholders in respect of the Offer                                                                                |
| “Independent Financial Adviser” or “Altus Capital” | Altus Capital Limited, a corporation licensed by the SFC to conduct Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, being the independent financial adviser to 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”                                 | 18 January 2021, being the date of the Deed and the last trading day on which the Shares were traded on the Stock Exchange immediately prior to the date of this joint announcement                                                                                                                                                        |
| “Listing Rules”                                    | the Rules Governing the Listing of Securities on the Stock Exchange                                                                                                                                                                                                                                                                        |
| “Mr. Cheung”                                       | Mr. Cheung Siu Fai, an executive Director, and the sole shareholder and sole director of the Offeror                                                                                                                                                                                                                                       |
| “Offer”                                            | the mandatory unconditional cash offer to be made by Optima Capital, for and on behalf of the Offeror, to acquire all the issued Shares not owned or agreed to be acquired by the Offeror and parties acting in concert with it, on the terms and conditions to be set out in the offer document and in compliance with the Takeovers Code |



|                           |                                                                                                                                                                                                                                                                                             |
|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Offer Price”             | HK\$0.1687 for each Offer Share, payable by the Offeror under the Offer                                                                                                                                                                                                                     |
| “Offer Shares”            | all the Shares in issue, other than those owned or agreed to be acquired by the Offeror and parties acting in concert with it, and each, an “Offer Share”                                                                                                                                   |
| “Offeror”                 | Beta Dynamic Limited, a company incorporated in the British Virgin Islands with limited liability, which is wholly and beneficially owned by Mr. Cheung                                                                                                                                     |
| “Optima Capital”          | Optima Capital Limited, a corporation licensed under the SFO to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the financial adviser to the Offeror in respect of the Offer |
| “Overseas Shareholder(s)” | Shareholder(s) whose address(es) as shown on the register of members of the Company is/are outside Hong Kong                                                                                                                                                                                |
| “Receiver”                | Mr. Yuen Tsz Chun Frank of Frank Forensic and Corporate Recovery Limited in his capacity as the sole receiver over the Sale Shares                                                                                                                                                          |
| “Rule 3.7 Announcement”   | the announcement of the Company dated 25 November 2020 in relation to, among other things, the appointment of the Receiver over an aggregate of 533,500,000 Shares                                                                                                                          |
| “Sale Shares”             | a total of 533,500,000 Shares acquired by the Offeror from the Receiver pursuant to the terms and conditions of the Deed                                                                                                                                                                    |
| “SFC”                     | the Securities and Futures Commission of Hong Kong                                                                                                                                                                                                                                          |
| “SFO”                     | the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)                                                                                                                                                                                                                 |
| “Share(s)”                | ordinary share(s) of HK\$0.01 each in the share capital of the Company                                                                                                                                                                                                                      |
| “Shareholder(s)”          | holder(s) of the Share(s)                                                                                                                                                                                                                                                                   |
| “Stock Exchange”          | The Stock Exchange of Hong Kong Limited                                                                                                                                                                                                                                                     |

|                  |                                                                        |
|------------------|------------------------------------------------------------------------|
| “Takeovers Code” | the Code on Takeovers and Mergers issued by the SFC                    |
| “HK\$”           | Hong Kong dollars, the lawful currency for the time being of Hong Kong |
| “%”              | per cent                                                               |

For and on behalf of  
**Beta Dynamic Limited**  
**Cheung Siu Fai**  
*Sole Director*

By order of the Board  
**Great Wall Belt & Road Holdings Limited**  
**Cheung Ka Heng Frankie**  
*Vice-Chairman and Executive Director*

Hong Kong, 21 January 2021

*As at the date of this joint announcement, Mr. Cheung Siu Fai is the sole director of the Offeror.*

*The sole director of the Offeror (i.e. Mr. Cheung Siu Fai) accepts full responsibility for the accuracy of the information contained in this joint announcement and confirms, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in this joint announcement 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 Board comprises three executive Directors, namely Mr. Zhao Ruiyong, Mr. Cheung Ka Heng Frankie and Mr. Cheung Siu Fai, and four independent non-executive Directors, namely Mr. Huang Tao, Mr. Fong Wai Ho, Mr. Leung Wai Kei and Mr. Lam Chik Shun Marcus.*

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