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

If you have sold or transferred all your shares in Nimble Holdings Company Limited, you should at once hand this circular to the purchaser or the transferee or to the bank manager, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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NIMBLE HOLDINGS COMPANY LIMITED 敏捷控股有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
(Stock Code: 186)

MAJOR AND CONNECTED TRANSACTION IN RELATION TO THE DISPOSAL OF THE ENTIRE SHARE CAPITAL OF A SUBSIDIARY AND NOTICE OF SPECIAL GENERAL MEETING

Independent Financial Adviser to
the Independent Board Committee and the
Independent Shareholders



Unless the context otherwise requires, all capitalised terms used in this circular have the meanings set out in the section headed "Definitions" of this circular.

A letter from the Board is set out on pages 5 to 17 of this circular. A letter from the Independent Board Committee containing its advice to the Independent Shareholders is set out on pages 18 to 19 of this circular. A letter from Gram Capital Limited containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 20 to 33 of this circular.

A notice convening the SGM of Nimble Holdings Company Limited to be held at Flat C, 32/F, TML Tower, 3 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong on Wednesday, 9 June 2021 at 4:00 p.m. is set out on pages SGM-1 to SGM-3 of this circular. A form of proxy for use at the SGM is also enclosed. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the website of the Company (<http://www.nimbleholding.com>).

Whether or not you are able to attend the SGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Share Registrar, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event no less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjourned meeting should you so wish.

Hong Kong, 21 May 2021

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PRECAUTIONARY MEASURES FOR SPECIAL GENERAL MEETING

In compliance with the Hong Kong Government's directive on social distancing, personal and environmental hygiene, and the guidelines issued by the Centre for Health Protection of the Department of Health of the Hong Kong Government on the prevention of the 2019 novel coronavirus ("COVID-19 pandemic"), the Company will implement certain precautionary measures at the SGM in the interests of the health and safety of the Shareholders and attendees, including but not limited to:–

- (i) There will be a compulsory body temperature check for all persons before entering the SGM venue. Any person with a body temperature of 37.3 degrees Celsius or above or any person which exhibits any flu-like or other respiratory or common COVID-19 pandemic symptoms or otherwise found to be unwell will be denied admission to the SGM venue;
- (ii) Every attendee will be required to wear a surgical face mask before they are permitted to access to the SGM venue and throughout the SGM;
- (iii) No refreshments or drinks will be served, and no corporate gift will be distributed at the SGM;
- (iv) Attendees are required to complete a questionnaire to provide their contact details (e.g. full name, Hong Kong identity card number or passport number, telephone number and residential address, etc.). Attendees are also required to declare whether they have travelled outside of Hong Kong, had close contact ^(Note) with any person who has been diagnosed with COVID-19 pandemic or travelled outside of Hong Kong in the 14 days immediately before the date of the SGM, and are subject to any compulsory quarantine prescribed by the Hong Kong Government. Any person who responds positively to any of these questions will be denied admission to the SGM venue; and
- (v) Appropriate seating arrangement at the SGM venue in line with the guidance from the Hong Kong Government will be made.

Attendees who do not comply with any of the precautionary measures referred to in (i), (ii) and (iv) above may be denied admission to the SGM venue at the absolute discretion of the Company.

PRECAUTIONARY MEASURES FOR SPECIAL GENERAL MEETING

In light of the above precautionary measures, Shareholders intending to attend the SGM in person are suggested to arrive at the SGM venue in advance of the scheduled time for the SGM to ensure that they have sufficient time to complete the registration process.

As an alternative to attending the SGM in person, the Company strongly encourages and recommends Shareholders and their representatives to appoint the chairman of the SGM as their proxy to vote on their behalf at the SGM.

Shareholders are advised to monitor the development of COVID-19 pandemic. Subject to the development of COVID-19 pandemic, the Company may implement further changes and precautionary measures. In the event that the COVID-19 pandemic situation deteriorates and requires the date and venue of the SGM to be changed, Shareholders will be notified of the revised arrangement and further announcement will be made by the Company on its website (www.nimbleholding.com) and the website of the Stock Exchange (www.hkexnews.hk). Shareholders are advised to read the Company's announcement(s) in relation to the latest arrangement of the SGM (if any) published on the websites of the Company and the Stock Exchange before attending the SGM.

Note: "close contact" means if you have had any of the following activities with someone who had been diagnosed with COVID-19 pandemic:

- Had direct physical contact;
- Stayed in the same household;
- Travelled in the same vehicle or flight;
- Had social contact in close proximity such as dining together.

DEFINITIONS

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

“Accountants”	Moore Stephens CPA Limited, Certified Public Accountants, Hong Kong
“Announcement”	the announcement of the Company dated 7 April 2021 in relation to the Disposal
“associate”	has the same meaning ascribed to it under the Listing Rules
“Barrican”	Barrican Investments Corporation, a company incorporated under the laws of the British Virgin Islands with limited liability and a Shareholder
“Board”	the Board of Directors
“Company”	Nimble Holdings Company Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability whose Shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 186)
“Completion”	completion of the Disposal
“Conditions Precedent”	the conditions precedent to Completion under the Share Purchase Agreement
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Consideration”	the consideration for the Disposal payable by the Purchaser to the Vendor under the Share Purchase Agreement, being HK\$60,000,000 (subject to adjustment as referred to in the paragraph headed “Consideration and payment terms” in this circular)
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the entire issued share capital of the Target Company by the Vendor to the Purchaser pursuant to the Share Purchase Agreement

DEFINITIONS

“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 committee of the Board comprising all the independent non-executive Directors established to advise the Independent Shareholders in respect of the Share Purchase Agreement and the transactions contemplated thereunder
“Independent Financial Advisers” or “Gram Capital”	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Share Purchase Agreement and the transactions contemplated thereunder
“Independent Shareholders”	Shareholders other than Barrican, McVitie and Sino Bright (in respect of 23,463,423 Shares) and its respective associates
“Latest Practicable Date”	17 May 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	30 June 2021 or a later date as agreed between the Vendor and the Purchaser
“McVitie”	McVitie Capital Limited, a company incorporated under the laws of the British Virgin Islands with limited liability and a Shareholder
“Mr. Ho”	Mr. Ho Wing On, Christopher, being the sole director of the Vendor and the sole beneficial owner of the Purchaser
“Mr. Tan”	Mr. Tan Bingzhao, a Director and a Shareholder

DEFINITIONS

“Obligors”	the Vendor and the Target Company
“percentage ratio(s)”	has the meaning as ascribed to this term under the Listing Rules
“PRC”	the People’s Republic of China, which for the purpose of this circular excludes Hong Kong and the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	Sino Capital Resources Limited, a company incorporated under the laws of the British Virgin Islands with limited liability
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Share”	one (1) ordinary share of US\$1.00 in the capital of the Target Company, representing 100% of the issued share capital of the Target Company owned by the Vendor as at the Latest Practicable Date
“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 to approve, among other things, the Share Purchase Agreement and the transactions contemplated thereunder
“Share Purchase Agreement”	the sale and purchase agreement dated 7 April 2021 entered into between the Vendor, the Target Company, the Company and the Purchaser
“Share(s)”	ordinary share(s) of HK\$0.01 in the share capital of the Company
“Share Mortgage”	a share mortgage dated 26 September 2017 in favour of Sino Bright (as mortgagee) granted by Wealth Warrior (as mortgagor) as security for deferred consideration under the sale and purchase agreement dated 22 September 2017 between Sino Bright (as vendor) and Wealth Warrior (as purchaser)
“Shareholder(s)”	holder of the Shares

DEFINITIONS

“Sino Bright”	Sino Bright Enterprises Co. Ltd., a company incorporated under the laws of the British Virgin Islands with limited liability and a Shareholder
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Unijoy Limited, a company incorporated under the laws of the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company as at the date of the Latest Practicable Date
“Target Group”	the Target Company and its subsidiaries
“The Ho Family Trust”	The Ho Family Trust Limited, a company incorporated under the laws of the British Virgin Islands with limited liability
“USA”	the United States of America
“US\$”	United States dollars, the lawful currency of the USA
“Valuation”	the valuation of the entire equity interest of the Target Company as at 31 December 2020 conducted by the Valuer
“Valuation Report”	the valuation report issued by the Valuer in respect of the Valuation, which is set out in Appendix I to this circular
“Valuer”	LCH (Asia-Pacific) Surveyors Limited, a qualified independent valuer in Hong Kong
“Vendor”	Grande N.A.K.S. Ltd., a company incorporated under the laws of the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Wealth Warrior”	Wealth Warrior Global Limited, a company incorporated under the laws of the British Virgin Islands with limited liability and a Shareholder
“%”	per cent.

LETTER FROM THE BOARD



NIMBLE HOLDINGS COMPANY LIMITED **敏捷控股有限公司**

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
(Stock Code: 186)

Executive Directors:

Mr. Tan Bingzhao (*Chairman*)
Mr. Deng Xiangping

Independent non-executive Directors:

Dr. Lin Jinying
Dr. Lu Zhenghua
Dr. Ye Hengqing

Registered office:

Wessex House, 5th Floor
45 Reid Street
Hamilton HM 12, Bermuda

*Principal place of business
in Hong Kong:*

Flat C01, 32/F, TML Tower
3 Hoi Shing Road
Tsuen Wan
New Territories
Hong Kong

21 May 2021

To the Shareholders

Dear Sir or Madam,

**MAJOR AND CONNECTED TRANSACTION
IN RELATION TO THE DISPOSAL OF
THE ENTIRE SHARE CAPITAL OF A SUBSIDIARY
AND
NOTICE OF SPECIAL GENERAL MEETING**

1. INTRODUCTION

Reference is made to the Announcement.

On 7 April 2021, the Vendor, a wholly-owned subsidiary of the Company, the Purchaser, the Company and the Target Company entered into the Share Purchase Agreement, pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, the entire issued share capital of the Target Company, at the Consideration of HK\$60,000,000 (subject to adjustment).

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things, (i) further details of the Share Purchase Agreement and the transactions contemplated thereunder; (ii) a letter from the Independent Board Committee to the Independent Shareholders containing its recommendation in respect of the Share Purchase Agreement and the transactions contemplated thereunder; (iii) a letter from Gram Capital to the Independent Board Committee and the Independent Shareholders containing its recommendation in respect of the Share Purchase Agreement and the transactions contemplated thereunder; (iv) the Valuation Report; (v) a letter on the valuation from the Accountants; and (vi) the notice of the SGM.

2. THE SHARE PURCHASE AGREEMENT

The principal terms of the Share Purchase Agreement are summarised as follows:

Date

7 April 2021

Parties

- (1) The Vendor
- (2) The Target Company
- (3) The Company
- (4) The Purchaser

Asset to be disposed of

The entire issued share capital in the Target Company.

Details of the assets held by the Target Company are further set out below in the section headed “Information on the Target Group”.

LETTER FROM THE BOARD

Consideration and payment terms

The Consideration is set at the minimum of HK\$60,000,000, which is payable in full and in cash on Completion.

Within one month after Completion, the Target Company shall cause the consolidated net asset value of the Target Group as at Completion to be assessed. Should the amount of consolidated net asset value of the Target Group as at 31 December 2020 be less than the amount of the consolidated net asset value of the Target Group as at Completion, the Consideration shall be increased by such difference in amounts accordingly and the Purchaser shall pay to the Vendor the shortfall within three business days after agreement of the consolidated net asset value of the Target Group as at Completion. The Consideration will not be decreased if the amount of consolidated net asset value of the Target Group as at 31 December 2020 is higher than the amount of the consolidated net asset value of the Target Group as at Completion.

Conditions Precedent

Completion shall be conditional upon and subject to, amongst others, the following Conditions Precedent:

- (1) all warranties being true, complete and accurate in all respects and not misleading in any respect and each of the Obligors having performed all its obligations under the Share Purchase Agreement to be performed on or before Completion;
- (2) the Purchaser being satisfied with the business, technical, legal, financial, accounting and tax due diligence investigations with respect to the Target Group;
- (3) the Purchaser having obtained all necessary internal approvals in respect of the Disposal; and
- (4) the Company having obtained its Shareholders' approval in the SGM in respect of the Disposal.

The Vendor and the Purchaser shall use their respective reasonable endeavours to ensure that the Conditions Precedents are fulfilled as soon as reasonably practicable.

The Purchaser shall have the right to waive the Conditions Precedent that are required to be fulfilled by the Vendor (other than Condition Precedent (4) above which cannot be waived).

LETTER FROM THE BOARD

If the Conditions Precedent are not fulfilled or waived on or before the Long Stop Date, the Purchaser may terminate the Share Purchase Agreement and the Share Purchase Agreement shall cease to have any effect. As at the Latest Practicable Date, to the best knowledge, information and belief of the Directors, having made all reasonable enquiry, other than condition (4), the Conditions Precedent have been fulfilled. Provided that the resolution regarding the Disposal is approved by the Independent Shareholders at the SGM, it is expected that all Conditions Precedent will be satisfied.

Completion

Subject to fulfillment (or waiver, as the case may be) of the Conditions Precedent, Completion shall take place within five business days after all the Conditions Precedent have been waived or satisfied (or such other date as the parties may mutually agree in writing).

Other terms

The Company guarantees to the Purchaser the due and punctual performance of the obligations of each of the Obligors, and the Company shall pay to the Purchaser from time to time on demand a sum of money which any of the Obligors is liable to pay to the Purchaser under the Share Purchase Agreement which has not been paid at the time the demand is made.

3. BASIS FOR DETERMINING THE CONSIDERATION

The Consideration was arrived at after arm's length negotiations between the Vendor and the Purchaser with reference to, amongst other things:

- (i) unaudited consolidated net asset value of the Target Group in the amount of approximately HK\$56,600,000 as at 31 December 2020; and
- (ii) the valuation of the Target Group, in the amount of approximately HK\$54,500,000 (equivalent to US\$7,030,000¹) as assessed on 31 December 2020 by the Valuer appointed by the Company.

The Consideration is further subject to adjustment based on the consolidated net asset value of the Target Group as at Completion.

¹ For the purposes of this circular and for illustration only, the amount in US\$ has been translated into HK\$ at the rate of US\$1 = HK\$7.753.

LETTER FROM THE BOARD

4. INFORMATION ON THE TARGET GROUP

The Target Company was incorporated in the British Virgin Islands with limited liability on 29 November 1991 established solely for investment holding purposes. As at the Latest Practicable Date, the Target Company is a direct wholly-owned subsidiary of the Vendor.

The Target Group owns three consumer electronic brands, Akai, Sansui and Nakamichi, and is principally engaged in the licensing of brands and trademarks through the licensing of these brands to independent third parties. Further details of the Target Group are set out below:

Name	Place of incorporation	Equity interest held by the Target Company	Principal activities/ place of operation
The Target Company	British Virgin Islands	N/A	Investment holding/Hong Kong
Innovative Capital Ltd.	British Virgin Islands	100%	Corporate finance and investment holding/Hong Kong
TWD Industrial Company Limited	British Virgin Islands	100%	Brands and trademarks holding and licensing/Singapore
TWD Industrial Company Limited (Singapore Branch)	Singapore	100%	Brands and trademarks licensing/Singapore
Sansui Acoustics Research Corporation	British Virgin Islands	100%	Brands and trademarks holding and licensing/Singapore
Sansui Acoustics Research Corporation (Singapore Branch)	Singapore	100%	Brands and trademarks licensing/Singapore
Sky Bright Holdings Limited	Hong Kong	100%	Provision of management services/Hong Kong
Capetronic Display Devices Holdings Limited	British Virgin Islands	100%	Investment holding/Hong Kong

LETTER FROM THE BOARD

Name	Place of incorporation	Equity interest held by the Target Company	Principal activities/ place of operation
Akai Electric Co., Ltd.	Japan	86.7%	Investment holding/Japan
Phenomenon Agents Limited	British Virgin Islands	86.7%	Brands and trademarks holding and licensing/Singapore
Phenomenon Agents Limited (Singapore Branch)	Singapore	86.7%	Brands and trademarks licensing/Singapore
Global Licensing Services Pte Limited	Singapore	100%	Provision of brand agency services/Singapore
Global Licensing Strategic Services Limited	Hong Kong	100%	Dormant
TWD International Ltd.	British Virgin Islands	100%	Dormant
Sansui Electric Co., Ltd.	British Virgin Islands	100%	Dormant

Set out below is certain financial information of the Target Group, as extracted from the unaudited financial statements of the Target Company for the two financial years ended 31 March 2019 and 2020 which were prepared in accordance with the Hong Kong Financial Reporting Standards:

	For the year ended 31 March	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Revenue	58,100	50,200
Net (loss)/profit before taxation	(33,300)	3,900
Net (loss)/profit after taxation	(37,900)	17,900

Based on the unaudited financial statements of the Target Group as at 31 December 2020 prepared in accordance with the Hong Kong Financial Reporting Standards, the unaudited net asset value of the Target Group as at 31 December 2020 was approximately HK\$56,600,000.

LETTER FROM THE BOARD

5. VALUATION OF THE TARGET GROUP

Your attention is drawn to the Valuation Report issued by the Valuer, contents of which are set out in Appendix I of this circular. In relation to the Valuation,

- (i) The Board understands from the Valuer that the three generally accepted business enterprise appraisal approaches to value include the income approach, the market approach and the asset-based approach. It was noted that (i) since the financial projections of the Target Group on a consolidated basis may not be available, and (ii) given the high fluctuations in the historical financial performance of the Target Group, the income approach (on a consolidated basis) and the market approach were not used for the Valuation. The Board understands that the asset-based approach is based on the assumption that when each of the elements of working capital, tangible and intangible assets is individually valued, their sum represents the value of a business enterprise and equals to the value of its invested capital (equity and long-term debt). Since the consolidated financial statements as at the Valuation Date of the Target Company provide sufficient information for the Valuer to value the Target Group on the asset-based approach, the asset-based approach is adopted in the Valuation. Having considered such background of the Target Group, the Board considers that the asset-based approach is the most appropriate valuation approach, and is reasonable and common for this type of valuation.
- (ii) The Board was given to understand that the relief from royalty method is commonly used in valuations of brand names and trademark. Given that the brands and trademarks attributable to Akai, Sansui and Nakamichi have been licensed to independent third parties with observable royalty rates and proven revenues derived, the Board is of the view that the relief from royalty method is the most appropriate and commonly used in the valuation of intangible assets.
- (iii) As at the Latest Practicable Date, the Board is not aware of any factors indicating potential significant difference between the market value and the book costs of the liabilities, and as such considers that the carrying amounts of the liabilities were reasonable approximations to their market values.
- (iv) Given that the Target Company is a private company whose ownership interests are not readily marketable, the Board is of the view that the Valuer's approach in applying a discount on lack of marketability on the Valuation is fair and reasonable.

Based on the Board's review of the Valuation Report, having considered the background of the Target Group, factors particularised above and our discussions with the Valuer, the Board is of the view that the Valuation conducted by the Valuer is fair and reasonable.

LETTER FROM THE BOARD

6. FINANCIAL EFFECT OF THE DISPOSAL AND INTENDED USE OF PROCEEDS

After Completion, the Group will cease to own any interest in the Target Group, and each member of the Target Group will cease to be a subsidiary of the Company and the financial results of the Target Group will no longer be consolidated with the Group's results.

It is estimated that the Company will recognize a gain of approximately HK\$1,300,000 as a result of the Disposal which is calculated by reference to difference between the Consideration and the unaudited consolidated net asset value of the Target Group as at 31 December 2020, the release of exchange reserve and the costs and expenses incurred by the Group in relation to the Disposal.

Upon Completion, the earnings of the Group would be reduced by the earnings currently attributable to the Target Group, reference is made to the revenue attributable to the Target Group for the years ended 31 March 2019 and 2020 as set out above in the paragraph headed "4. Information on the Target Group" of this circular. In addition, based on the unaudited consolidated management accounts of the Group as at 31 December 2020, it is expected that immediately after Completion, there would be a decrease in both the Group's total assets by approximately HK\$28,000,000 and the Group's total liabilities by approximately HK\$29,000,000, resulting in an increase in the Group's net asset value by HK\$1,000,000 (each rounded up to the nearest million).

Shareholders should note that the above is for illustrative purpose only. The actual gain on the Disposal may be different from the above and will be determined based on the financial position of the Target Group on Completion and the review by the Company's auditors.

After deducting transaction costs directly attributable to the Disposal of approximately HK\$2,000,000, it is anticipated that the Disposal will generate net proceeds of approximately HK\$58,000,000. The Group intends to apply the net proceeds from the Disposal for the purpose of general working capital of the Group and for future business development, and in particular to Group's PRC's property development business, as follows:

HK\$'000

Allocation of net proceeds:

General working capital of the Group (salary and other administrative expenses)	25,000
PRC's property development business (working capital for land acquisitions in PRC)	33,000

LETTER FROM THE BOARD

7. REASONS FOR AND BENEFITS OF THE DISPOSAL

Due to the ongoing COVID-19 pandemic, the Target Group's businesses have been affected adversely, resulting in a drastic decrease in revenue generated during the six-month period ended 30 September 2020 when compared to the corresponding period in 2019.

Further, the Group has established a foothold in the PRC's property development business since November 2019 and intends to intensify efforts to strengthen this business sector by increasing its land bank both in terms of quality and quantity with the aim of developing the PRC's property development as one of its major businesses.

Accordingly, the Board is of the view that the Disposal would enable the Group to reallocate its financial and other resources to the other businesses of the Group, in particular the PRC's property development, which are considered to have higher development potential, in order to generate more return to the Shareholders.

Having considered the above, the Directors (including all of the independent non-executive Directors) consider that, although the Disposal is not in the ordinary and usual course of business of the Group, the Disposal is fair and reasonable, the transactions contemplated thereunder are on normal commercial terms and in the interests of the Company and the Shareholders as a whole. None of the Directors has any material interest in the Disposal, as such no Director would be required to abstain from voting on the Board resolution regarding the Disposal.

8. INFORMATION ON THE GROUP AND THE VENDOR

The Group is principally engaged in the distribution of houseware products and audio products in the USA, holding and licensing of brands and trademarks, trading of household appliances in the PRC, provision of information technology services in the PRC, and property development in the PRC.

The Vendor is a direct wholly-owned subsidiary of the Company incorporated in the British Virgin Islands with limited liability and was established for investment holding purposes.

LETTER FROM THE BOARD

9. INFORMATION ON THE PURCHASER

The Purchaser is a limited liability company incorporated in the British Virgin Islands and is principally engaged in investment holding. To the best knowledge, information and belief of the Directors, having made all reasonable enquiry, as at the date of the Latest Practicable Date, the Purchaser does not have any subsidiaries and does not engage in any other principal activities other than investment holding.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiry, as at the date of the Latest Practicable Date, the Purchaser is solely owned by Mr. Ho, a director of the Vendor which is a direct wholly-owned subsidiary of the Company. Mr. Ho is one of the beneficiaries of The Ho Family Trust. LEHD Pte. Ltd. is deemed to have interest in 1,428,769,939 Shares (representing 26.01% of the issued share capital of the Company) as the trustee to the discretionary trust which owns the entire issued share capital of The Ho Family Trust. The Ho Family Trust is deemed to be interested in the Shares held by Barrican, McVitie and Sino Bright, which are wholly-owned subsidiaries of The Ho Family Trust and directly hold 335,260,845 Shares, 70,045,671 Shares and 1,023,463,423 Shares respectively (representing 6.10%, 1.28% and 18.63% respectively of the issued share capital of the Company). As such, Barrican, McVitie and Sino Bright are each an associate of Mr. Ho and a connected person of the Company.

10. IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios in respect of the Disposal exceed 25% but all of them are less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules. As such, the Disposal is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the Latest Practicable Date, the Purchaser is wholly owned by Mr. Ho, a director of the Vendor which is in turn a wholly-owned subsidiary of the Company. Therefore, the Purchaser is a connected person of the Company pursuant to Chapter 14A of the Listing Rules by virtue of being an associate of Mr. Ho, a connected person of the Company. Accordingly, the Disposal and the transaction contemplated thereunder constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. The Disposal is therefore subject to reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

11. ABSTAINING FROM VOTING

Pursuant to Rule 14A.36 of the Listing Rules, any Shareholder with a material interest in the relevant connected transaction must abstain from voting on the relevant resolution at the SGM. As disclosed in the section headed “Information on the Purchaser” above, Barrican, McVitie and Sino Bright are each an associate of Mr. Ho and a connected person of the Company.

Out of the 1,023,463,423 Shares held by Sino Bright, Sino Bright owns 23,463,423 Shares and is deemed to be interested in 1,000,000,000 Shares pursuant to a legal charge under the Share Mortgage. Under the terms of the Share Mortgage, Wealth Warrior shall have the right to exercise its voting power in respect of the 1,000,000,000 Shares. Sino Bright shall vote in accordance with the written instructions of Wealth Warrior. To the best of the Directors’ knowledge, information and belief, Wealth Warrior will provide written instructions to Sino Bright to vote on the resolution regarding the Disposal at the SGM in respect of the 1,000,000,000 Shares. Sino Bright will therefore vote in the SGM under instructions from and on behalf of Wealth Warrior.

Accordingly, each of Barrican, McVitie and Sino Bright (in respect of 23,463,423 Shares) will be required to abstain from voting on the resolution regarding the Disposal at the SGM.

Save for Barrican, McVitie and Sino Bright, and to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, no other Shareholder has a material interest in the Share Purchase Agreement and the transactions contemplated thereunder and therefore, no other Shareholder is required to abstain from voting at the SGM for the relevant resolution.

12. THE INDEPENDENT BOARD COMMITTEE AND GRAM CAPITAL

The Independent Board Committee, comprising all independent non-executive Directors, has been established to advise the Independent Shareholders regarding the terms of the Share Purchase Agreement and the transactions contemplated thereunder. Gram Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

LETTER FROM THE BOARD

13. SGM

The SGM will be convened for the Independent Shareholders to consider and, if thought fit, to approve, among other things, the Share Purchase Agreement and the transactions contemplated thereunder.

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you intend to attend the SGM, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the Hong Kong share registrar and transfer office, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding of the meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the SGM or any adjourned meeting if you are subsequently able to be present and in such event, the proxy form shall be deemed to be revoked. The resolution proposed to be approved at the SGM will be taken by poll and an announcement on the results of the SGM will be made by the Company thereafter.

14. BOOK CLOSURE FOR DETERMINING VOTING ENTITLEMENTS AT THE SGM

For determining the entitlement to attend and vote at the above meeting, the register of members of the Company will be closed from Friday, 4 June 2021 to Wednesday, 9 June 2021, both days inclusive, in order to determine the identity of the members of the Company who are entitled to attend and vote at the above meeting. All transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Hong Kong share registrar and transfer office, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong before 4:30 p.m. on Thursday, 3 June 2021.

15. RECOMMENDATIONS

You are advised to read carefully the letter from the Independent Board Committee on pages 18 to 19 of this circular. The Independent Board Committee, having taken into account the advice of Gram Capital, the text of which is set out on pages 20 to 33 of this circular, considers that the terms and conditions of the Disposal and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the SGM to approve the Disposal and the transactions contemplated thereunder.

LETTER FROM THE BOARD

The Board considers that despite the Disposal and the transactions contemplated thereunder are not in the ordinary and usual course of business of the Group, the terms and conditions of the Share Purchase Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole and recommends the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the SGM.

16. FURTHER INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

Shareholders and potential investors should note that the Disposal is subject to certain Conditions Precedent and may or may not materialise. There is no assurance that the Disposal will proceed.

Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional adviser(s).

Yours faithfully,
For and on behalf of the Board
Nimble Holdings Company Limited
Tan Bingzhao
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of a letter of advice from the Independent Board Committee setting out their recommendation to the Independent Shareholders for the purpose of inclusion in this circular.



NIMBLE HOLDINGS COMPANY LIMITED **敏捷控股有限公司**

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
(Stock Code: 186)

21 May 2021

To the Independent Shareholders

Dear Sir or Madam,

MAJOR AND CONNECTED TRANSACTION IN RELATION TO THE DISPOSAL OF THE ENTIRE SHARE CAPITAL OF A SUBSIDIARY AND NOTICE OF SPECIAL GENERAL MEETING

We refer to the circular of the Company dated 21 May 2021 (the “**Circular**”) of which this letter forms part. Unless the context specifies otherwise, capitalised terms used herein have the same meanings as defined in the Circular.

We have been appointed by the Board as the Independent Board Committee to advise the Independent Shareholders (i) as to whether the terms and conditions of the Disposal and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (ii) on how to vote on the Disposal and the transactions contemplated thereunder. Gram Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

We wish to draw your attention to (i) the letter of advice from Gram Capital, the details of which (including the principal factors and reasons Gram Capital has taken into consideration) are set out on pages 20 to 33 of the Circular; and (ii) the letter from the Board as set out on pages 5 to 17 of the Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having considered the terms of the Disposal and the principal factors and reasons considered by and the opinion of Gram Capital as set out in its letter of advice, we consider that despite the transactions contemplated thereunder are not in the ordinary and usual course of business of the Group, the terms and conditions of the Disposal and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. We consider the entering into of the Share Purchase Agreement is in the interests of the Company and its Shareholders as a whole. Accordingly, we recommend that the Independent Shareholders vote in favour of the resolutions to approve the Disposal and the transactions contemplated thereunder at the SGM.

Yours faithfully,
For and on behalf of
the Independent Board Committee

Dr. Lin Jinying
*Independent non-executive
Director*

Dr. Lu Zhenghua
*Independent non-executive
Director*

Dr. Ye Hengqing
*Independent non-executive
Director*

LETTER FROM GRAM CAPITAL

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and Independent Shareholders in respect of the Disposal for the purpose of inclusion in this circular.



Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

21 May 2021

*To: The Independent Board Committee and the Independent Shareholders
of Nimble Holdings Company Limited*

Dear Sir/Madam,

MAJOR AND CONNECTED TRANSACTION IN RELATION TO THE DISPOSAL OF THE ENTIRE SHARE CAPITAL OF A SUBSIDIARY

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Disposal, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 21 May 2021 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

With reference to the Board Letter, the Vendor, a wholly-owned subsidiary of the Company, the Purchaser, the Company and the Target Company entered into the Share Purchase Agreement on 7 April 2021, pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, the Sale Share, representing the entire issued share capital of the Target Company, at the consideration of HK\$60,000,000 (subject to adjustment).

With reference to the Board Letter, the Disposal constitutes a major and connected transaction for the Company and is therefore subject to reporting, announcement and independent shareholders’ approval requirements under the Chapter 14 and Chapter 14A of the Listing Rules.

LETTER FROM GRAM CAPITAL

The Independent Board Committee comprising Dr. Lin Jinying, Dr. Lu Zhenghua and Dr. Ye Hengqing, being all of the independent non-executive Directors, has been established to advise the Independent Shareholders on (i) whether the terms of the Disposal are on normal commercial terms and are fair and reasonable; (ii) whether the Disposal is in the interests of the Company and the Shareholders as a whole and is conducted in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote in respect of the resolutions to approve the Disposal at the SGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

INDEPENDENCE

During the past two years immediately preceding the Latest Practicable Date, Gram Capital was engaged as an independent financial adviser in relation to the Company's major and connected transaction, details of which are set out in the Company's circular dated 19 September 2019. Notwithstanding the aforesaid past engagement, as at the Latest Practicable Date, we were not aware of any relationships or interests between Gram Capital and the Company, or any other parties that could be reasonably regarded as a hindrance to Gram Capital's independence to act as the Independent Financial Adviser.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the Disposal. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

LETTER FROM GRAM CAPITAL

We have not made any independent evaluation or appraisal of the assets and liabilities of the Target Group, and we have not been furnished with any such evaluation or appraisal, save as and except for the Valuation Report prepared by the Valuer as set out in Appendix I to the Circular. Since we are not experts in the valuation of assets or business, we have relied solely upon the Valuation Report for the Valuation as at 31 December 2020.

The Circular, for which the Directors collectively and individually accept full responsibility for the information contained therein, includes particulars given in compliance with the Listing Rules for the purpose of giving information relating to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, the Vendor, the Purchaser, the Target Company or their respective subsidiaries or associates (if applicable), nor have we considered the taxation implication on the Group or the Shareholders as a result of the Disposal. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

LETTER FROM GRAM CAPITAL

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Disposal, we have taken into consideration the following principal factors and reasons:

Information on the Group

With reference to the Board Letter, the Group is principally engaged in the distribution of houseware products and audio products in the USA, holding and licensing of brands and trademarks, trading of household appliances in the PRC, provision of information technology services in the PRC, and property development in the PRC.

Set out below is a summary of the consolidated financial information of the Group for the two years ended 31 March 2020 as extracted from the Company's annual report for the year ended 31 March 2020 (the "2019/20 Annual Report") and for the six months ended 30 September 2020 (the "HY2020/21") as extracted from the Company's interim report for the six months ended 30 September 2020 (the "2020/21 Interim Report"):

	For the six months ended 30 September 2020 <i>HK\$ million</i>	For the year ended 31 March 2020 <i>HK\$ million</i>	For the year ended 31 March 2019 <i>HK\$ million</i>	Change from 2019 to 2020 %
Revenue	78	240	123	95.12
– Sale of household appliances, wires and cables	43	123	1	12,200
– Sale of houseware products	12	18	28	(35.71)
– Sale of audio products	15	30	39	(23.08)
– Licensing income (<i>Note</i>)	8	60	55	9.09
– Information technology services	–	9	–	N/A
Gross profit	20	88	69	27.54
(Loss)/profit for the period/year	(34)	(108)	73	(247.95)

Note: The Group's licensing income was generated from its licensing segment and the segment operated by Emerson Radio Corp. (a subsidiary of the Company).

LETTER FROM GRAM CAPITAL

As illustrated in the above table, the Group's revenue for the year ended 31 March 2020 ("FY2020") increased by approximately 95.12% as compared to that for the year ended 31 March 2019 ("FY2019"). With reference to the 2019/20 Annual Report, the aforesaid increase in revenue was mainly due to the full year's operation of the trading of household appliances, wires and cables in the PRC, which commenced since early 2019. In addition, the Group recorded loss of HK\$108 million for FY2020 as compared to profit of HK\$73 million for FY2019. With reference to the 2019/20 Annual Report, such turnaround from profit to loss was mainly due to the absence of write back of accrued liabilities with deconsolidated subsidiaries and former associated companies of HK\$154 million in aggregate (which was recognized during FY2019).

With reference to the 2020/21 Interim Report, due to the global situation of the COVID-19 pandemic, the management is not optimistic as to the Group's operations in Emerson, licensing, PRC's household appliances and PRC's IT services in the second half of the financial year ended 31 March 2021. The operation teams will endeavour to use their best efforts to overcome the difficulties brought about by the COVID-19 pandemic in order to manage the business and operation in the second half of the financial year ended 31 March 2021, as well as control its costs in all areas so as to minimize the total expenses to be incurred by it. The Group will also prepare for the economic recovery once the pandemic is under control so that the Group can maximise revenues going forward.

In addition, in respect of the Group's property development business in the PRC, the management intends to continue bidding in land auctions conducted by the local governmental bodies in different cities of the PRC in order to increase the Group's land bank for future development. Subsequent to 30 September 2020 and up to 30 November 2020 (being the report date of the 2020/21 Interim Report), the Group further acquired four parcels of land in Ningbo City, Zhejiang Province; Nanning City, Guangxi Province; Shantou City, Guangdong Province and Yongzhou City, Hunan Province, the PRC. These acquisitions have further increased the land bank of the Group by approximately 213,618.83 sq.m.. The management believes that the enlarged land reserve will bring income to the Group with reasonable returns in the future.

Information on the Target Group

The Target Company was incorporated in the British Virgin Islands with limited liability on 29 November 1991 established solely for investment holding purposes. As at the Latest Practicable Date, the Target Company is a direct wholly-owned subsidiary of the Vendor.

The Target Group owns three consumer electronic brands, Akai, Sansui and Nakamichi (collectively, the "**Intangible Assets**"), and is principally engaged in the licensing of brands and trademarks through the licensing of these brands to independent third parties. A list of the Target Group's members is set out under the section headed "4. INFORMATION ON THE TARGET GROUP" of the Board Letter.

LETTER FROM GRAM CAPITAL

With reference to the Board Letter, set out below is the unaudited consolidated financial information of the Target Group for the two financial years ended 31 March 2020 which were prepared in accordance with the Hong Kong Financial Reporting Standards:

	For the year ended 31 March 2020 (unaudited) <i>HK\$'000</i>	For the year ended 31 March 2019 (unaudited) <i>HK\$'000</i>
Revenue	58,100	50,200
Net (loss)/profit before taxation	(33,300)	3,900
Net (loss)/profit after taxation	(37,900)	17,900

Information on the Purchaser

With reference to the Board Letter, the Purchaser is a limited liability company incorporated in the British Virgin Islands and is principally engaged in investment holding. As at the Latest Practicable Date, the Purchaser is solely owned by Mr. Ho, a director of the Vendor which is a direct wholly-owned subsidiary of the Company. Mr. Ho is also a connected person of the Company.

Reasons for and benefits of the Disposal

With reference to the Board Letter, due to the ongoing COVID-19 pandemic, the Target Group's businesses have been affected adversely, resulting in a drastic decrease in revenue generated during the six months ended 30 September 2020 when compared to the corresponding period in 2019. On the other hand, the Group has established a foothold in the PRC's property development business since November 2019 and intends to intensify efforts to strengthen the said business segment by increasing its land bank in terms of both quality and quantity with the aim of development the PRC's property development as one of the Group's major businesses.

With reference to the Company's 2019/20 Annual Report, the 2020/21 Interim Report, and as confirmed by the Directors, the Group's licensing segment is operated by the Target Group. The licensing segment revenue for FY2019, FY2020 and HY2020/21 accounted for 40.65%, 24.17% and 10.26% of the Group's total revenue for the respective financial period, which demonstrated a downsizing scale.

LETTER FROM GRAM CAPITAL

Advised by the Directors, licensing income is recognised at a point in time and a portion of the licensing income is subject to the sales performance of the licensees. Having considered the aforesaid factors and the effect of the pandemic on the global economy, the Directors are uncertain as to whether the licensing segment will recover to its past performance prior to the occurrence of the COVID-19 pandemic and consider that it is in the interest of the Company and the Shareholders to devote the Group's internal resources to other businesses of the Group, in particular, the PRC's property development which shows greater potential to generate higher return.

Furthermore, we noted from the 2019/20 Annual Report that the Akai and the Nakamichi brands and trademarks suffered from impairment of approximately HK\$144 million in aggregate during the two years ended 31 March 2020. Such impairment was determined with reference to valuation report prepared by independent professional valuer. In the opinion of the Directors, such impairment arose mainly from the unfavourable and unstable global economic environment, the keen competition of relevant market and the renewal of key customer contracts with terms which were less favourable than management's expectation.

With reference to the National Bureau of Statistics of the PRC, the total investment amounts in residential properties (being the Group's current focus) increased from approximately RMB6,870.4 billion for 2016 to approximately RMB10,444.6 billion for 2020, with compound annual growth rate ("CAGR") of approximately 11.04% and, the total investment in residential properties amounted to approximately 73.84% of the total investment in real estate (including residential properties) for 2020. In addition, the proceeds from the sale of residential properties in the PRC increased from RMB9,906.4 billion for 2016 to approximately RMB15,456.7 billion for 2020, with CAGR of approximately 11.76%. Despite that the PRC property development industry has been adversely affected by the travel restriction and nationwide lockdown in the PRC as a result of COVID-19 pandemic, the property development industry still shows great prospects with increasing demand in residential properties.

In light of the above, we concur with the Directors that, although the Disposal is not conducted in the ordinary and usual course of business of the Group, it is in the interests of the Company and the Shareholders as a whole.

LETTER FROM GRAM CAPITAL

Major terms of the Disposal

Summarised below are the major terms of the Share Purchase Agreement, details of which are set out under the section headed “THE SHARE PURCHASE AGREEMENT” of the Board Letter.

Date:	7 April 2021
Parties:	(1) the Vendor (2) the Target Company (3) the Company (4) the Purchaser
Subject matter:	The entire issued share capital in the Target Company.
Consideration and payment terms:	The Consideration is set at the minimum of HK\$60,000,000, which is payable in full and in cash on Completion.

Within one month after Completion, the Target Company shall cause the consolidated net asset value of the Target Group as at Completion to be assessed. Should the amount of consolidated net asset value of the Target Group as at 31 December 2020 be less than the amount of the consolidated net asset value of the Target Group as at Completion, the Consideration shall be increased by such difference in amounts accordingly (the “**Possible Upward Adjustment**”) and the Purchaser shall pay to the Vendor the shortfall within three business days after agreement of the consolidated net asset value of the Target Group as at Completion. (For avoidance of doubt, the Consideration will not be decreased if the amount of consolidated net asset value of the Target Group as at 31 December 2020 is higher than the amount of the consolidated net asset value of the Target Group as at Completion.)

LETTER FROM GRAM CAPITAL

With reference to the Board Letter, the consideration for the Disposal was arrived at after arm's length negotiations between the Vendor and the Purchaser with reference to, amongst other things: (i) unaudited consolidated net asset value of the Target Group in the amount of approximately HK\$56,600,000 as at 31 December 2020; and (ii) the valuation of the Target Group, in the amount of approximately HK\$54,500,000 as assessed on 31 December 2020 by an independent valuer appointed by the Company.

Subject to fulfilment (or waiver, as the case may be) of the Conditions Precedent, Completion shall take place within five business days after all the Conditions Precedent have been waived or satisfied (or such other date as the parties may mutually agree in writing).

Valuation of the Target Group

To assess the fairness and reasonableness of the Consideration, we noted from the Valuation Report prepared by the Valuer that the Valuation as at 31 December 2020 was US\$7,030,000 (equivalent to approximately HK\$54,500,000).

For our due diligence purpose, we reviewed and enquired into (i) the terms of engagement of the Valuer with the Company; (ii) the Valuer's qualification in relation to the preparation of the Valuation Report; and (iii) the steps and due diligence measures taken by the Valuer for conducting the Valuation Report. From the mandate letter and other relevant information provided by the Valuer and based on our interview with them, we were satisfied with the terms of engagement of the Valuer as well as their qualification for preparation of the Valuation Report. The Valuer also confirmed that they are independent to the Group, the Vendor, the Target Group and the Purchaser.

The Valuation Report was prepared by the Valuer by adopting asset-based approach. As confirmed by the Valuer, the Valuer has considered the three generally accepted business enterprise appraisal approaches to value, namely, the income approach, the market approach and the asset-based approach. Upon our further enquiry with the Valuer, we understood that:

- (i) in respect of income approach, only the financial projection of royalty income derived from the Intangible Assets was available to the Valuer, which in the Valuer's opinion, despite the Intangible Assets constitute the major assets of the Target Group, it may not reflect the entire value of the Target Group;
- (ii) in respect of market approach, given (i) that finding good market comparables is often difficult (particularly for mergers and acquisitions transactions) for there is no single market place where similar assets change hands between buyers and sellers, who are well informed and have no special motivations or compulsions to buy or sell, are recorded; and (ii) high fluctuations in the historical financial performance, the Valuer has reservation to use the market approach in arriving at the Valuation; and

LETTER FROM GRAM CAPITAL

- (iii) in respect of asset-based approach, values of all types of assets from the Target Group's book value are to be assessed and restated (if necessary) to identify the indicated value of the business enterprise and, by applying the accounting principle of "asset minus liabilities", the Valuer is able to derive the value of the equity interest of the business enterprise.

For the purpose of the Valuation, the Valuer selected asset-based approach as the assets of the Target Group primarily consist of the Intangible Assets. Having considered the above basis for selecting asset-based approach, we consider the adoption of the asset-based approach for the Valuation is fair and reasonable.

Under asset-based approach, monetary assets, the Intangible Assets and liabilities are analysed, adjusted and appraised individually, the Valuer then applied the accounting principle of "assets minus liabilities" in arriving at the indicated value of the Target Group.

As advised by the Valuer, the Target Group's monetary assets mainly comprise of cash and bank balances, prepayment, deposits and amounts due from other group companies of the Company and these assets are considered to be more liquid in nature with carrying amounts approximate to their respective market value.

In respect of Intangible Assets, individual financial projection for the Intangible Assets was available to the Valuer in order to value the Intangible Assets by adopting the relief from royalty method under income approach. Under income approach, the future economic benefits of the Intangible Assets were discounted throughout their respective economic life to their respective present value. When assessing the future economic benefits, financial projection of royalty income of each individual Intangible Assets was provided by the Company's management, having considered the licensing contracts entered into in respect of each brand and trademark, the global economic outlook and the market condition which the Target Group operates in. We consider adoption of the relief from royalty method under income approach to value the Intangible Assets to be fair and reasonable as (i) it can take into account the future economic benefits of the Intangible Assets and financial projection of royalty income of each individual Intangible Assets could be provided with support of executed licensing contracts; and (ii) the Valuer advised us that the relief from royalty method under income approach is a commonly used methodology in valuing intangible assets such as trademark and brand name. We also noticed the adoption of relief from royalty method under income approach in certain valuations of trademark as disclosed in Hong Kong listed companies' annual reports.

LETTER FROM GRAM CAPITAL

In determining the discount rates, the Valuer (i) made reference to comparable listed companies that engaged in consumer electronics and consumer appliances business with reference to regions or products which the Intangible Assets were licensed (the “**Valuation Comparables**”); (ii) assessed the risk-free rate and the market premium, being the difference between expected market return and the risk-free rate, adopted in the valuation of each Intangible Assets based on the licensed territory applicable to various licensees under the licensing contracts; and (iii) adjusted by additional size premium and specific risk premium.

In respect of the Valuation Comparables, we discussed the selection criteria adopted by the Valuer and particulars of the Valuation Comparables (including their principal activities). As confirmed by the Valuer, the Valuer did not subjectively exclude any comparable which met the Valuer’s selection criteria and the Valuation Comparables are considered to be exhaustive (based on their research on Bloomberg), fair and representative. After our discussion with the Valuer and having considered the selection criteria adopted by the Valuer and the particulars of the Valuation Comparables, we do not doubt the fairness and reasonableness of the Valuation Comparables.

In respect of the risk-free rate, we noted that the Valuer made reference to the 10-year USA treasury bond yield, being the yield for investing in a USA government issued treasury bond that has a maturity of 10 years. We considered that it is a common practice to refer the 10-year USA treasury bond yield as risk-free rate as it is fully backed by the USA government, which is viewed to be with minimal default risk.

In respect of the market premium, the Valuer made reference to the country risk premium as published and regularly updated by Professor. Aswath Damodaran (Professor. Aswath Damodaran is a professor of finance at the Stern School of Business at New York University specialised in corporate finance and valuation. His papers have been published in the “Journal of Financial and Quantitative Analysis”, the “Journal of Finance”, the “Journal of Financial Economics” and the “Review of Financial Studies”).

We also understood from the Valuer that (i) additional size premium was adopted with reference to information published by Duff & Phelps on size premium for companies in various deciles (Duff & Phelps was founded in 1932 and provides merger and acquisition advisory services, valuation, investment banking, transaction advisory, dispute, legal management, and tax consulting services. Duff & Phelps serves customers worldwide. We also noticed the adoption of Duff & Phelps’ published information on size premium in certain valuation reports contained in Hong Kong listed companies’ circulars); and (ii) specific risk premium was adopted to reflect the events and circumstances that are specific to each licensee underlying the Intangible Assets, such as higher uncertainty in the licensing business environment amid the outbreak of COVID-19 pandemic.

LETTER FROM GRAM CAPITAL

Having assessed the value of the monetary assets and the Intangible Assets, the Valuer then applied the “assets minus liabilities” principle, based on the consolidated management accounts of the Target Group provided by its management, to arrive at the adjusted net assets value. The liabilities of the Target Group mainly comprised of accrued liabilities and other payables, contract liabilities and taxation liabilities, the Valuer was given the representation by the Company’s management that they are not aware of any circumstances that indicate the market value of the liabilities would be significantly different from the carrying amounts, the Valuer is therefore of the opinion that the carrying amounts of the liabilities approximate to the market value. The Valuer was given the representation by the Company’s management that the Target Group’s liabilities are mostly interest-free and are payable on a pre-determined date or on demand and the Valuer has no reason to believe the payment of these liabilities as and when they fall due would be significantly different from the carrying amounts.

To arrive at the Valuation, the Valuer applied a discount on lack of marketability of 20.6% (“**DLOM**”) on the Valuation to reflect the value of privately held shares as compared to the similar interest in public companies, as the value of a privately held share is often less than an otherwise comparable share in a publicly held company. According to the Valuation Report, with reference to the 2020 edition of the Stout Restricted Stock Study Companion Guide (the “**Stout Study**”) published by Stout Risius Ross, LLC (“**Stout**”, Stout is a global investment bank and advisory firm specializing in corporate finance, valuation, financial disputes, and investigations, serving a range of clients from public corporations to privately held companies in numerous industries.), the Valuer opted to apply the DLOM on the Valuation. We also noticed the adoption of DLOM with reference to Stout Study in certain valuation reports contained in Hong Kong listed companies’ circulars. The DLOM adopted in the Valuation was referenced to the overall average discount for all 759 transactions in the Stout Study (as of June 2020). With reference to the Valuation Report, since there is no conclusive evidence that suggests any significant relationship between the DLOM and the industry engaged by a company, the use of the average discount for all transactions covered by the Stout Study based on empirical data and arms-length deals as the DLOM was considered fair and reasonable for the Valuation.

We noticed from the Stout Study that Stout examined all private placements of unregistered common stock by public companies from 1980 to 2019. Stout considered, including but not limited to, the following factors when selecting the private placement to be included in the Stout Study:

- the availability of public information regarding the private placement;
- the trading price and trading volume of the stock related to the private placement;
- the purpose of private placing;

LETTER FROM GRAM CAPITAL

- the substance of the private placement (of not including any debt securities, hybrid equity-derivative securities, warrants, options or any kind of stock-warrant unit);
- the closure of private placement, the trading of stock on domestic exchange;
- whether the private placement was conducted in arms-length;
- whether the stock was placed in premium instead of discount; and
- any other special contractual arrangements which would increase or decrease the number of shares subject to the private placement.

Based on the above, Stout selected 759 private placement transactions (“**Selected Cases**”). The average discount of the Selected Cases is 20.6%. Given the above, we consider the adoption of the DLOM of 20.6% to be reasonable.

During our discussion with the Valuer, we did not identify any major factor which caused us to doubt the fairness and reasonableness of the methodology, principal bases, assumptions and parameters (including discount rate and DLOM) adopted for the Valuation Report.

Having considered our aforementioned due diligence performed on the Valuation Report and that the Consideration of HK\$60,000,000 represents a premium of approximately 10.09% over the Valuation of US\$7,030,000 (equivalent to approximately HK\$54,500,000) as at 31 December 2020, we are of the view that the Consideration is fair and reasonable.

We also consider the provision of Possible Upward Adjustment to be favourable to the Company.

Taking into account the above principal terms of the Disposal, we consider that the terms of the Disposal are fair and reasonable, on normal commercial terms and in the interest of the Company and the Shareholders as a whole.

LETTER FROM GRAM CAPITAL

Possible financial effects of the Disposal

With reference to the Board Letter, after Completion, the Group will cease to own any interest in the Target Group, and each member of the Target Group will cease to be a subsidiary of the Company and the financial results of the Target Group will no longer be consolidated with the Group's results. In addition, it is estimated that the Company will recognize a gain of approximately HK\$1.3 million as a result of the Disposal which is calculated by reference to difference between the Consideration and the unaudited consolidated net asset value of the Target Group as at 31 December 2020, the release of exchange reserve and the costs and expenses incurred by the Group in relation to the Disposal.

It should be noted that the aforementioned analyses are for illustrative purposes only and do not purport to represent how the financial position of the Group will be upon completion of the Disposal.

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Disposal are on normal commercial terms and are fair and reasonable; and (ii) although the Disposal is not conducted in the ordinary and usual course of business of the Group, it is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolutions to be proposed at the SGM to approve the Disposal and we recommend the Independent Shareholders to vote in favour of the resolutions in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

Note: Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 25 years of experience in investment banking industry.

Set out below is the text of the Valuation Report from the LCH (Asia-Pacific) Surveyors Limited, the Valuer in respect of the Disposal for the purpose of inclusion in this circular.



The readers are reminded that the report which follows has been prepared in accordance with the reporting guidelines set by the International Valuation Standards published by the International Valuation Standards Council which entitles the valuer to make assumptions which may on further investigation, for instance by the readers' legal representative, prove to be inaccurate. Any exception is clearly stated below. Headings are inserted for convenient reference only and have no effect in limiting or extending the language of the paragraphs to which they refer. Translations of terms in English or in Chinese are for readers' identification purpose only and have no legal status or implication in this report. This report is prepared and signed off in English format, translation of this report in language other than English should not be regarded as a substitute to this report. Piecemeal reference to this report is considered to be inappropriate and no responsibility is assumed from our part for such piecemeal reference. It is emphasised that the findings and conclusion presented below are based on the documents and facts known to us at the Latest Practicable Date of this circular. If additional documents and facts are made available, we reserve the right to amend this report and its conclusion.

17th Floor
Champion Building
287-291 Des Voeux Road Central
Hong Kong

21 May 2021

The Board of Directors
Nimble Holdings Company Limited
Flat C01, 32/F, TML Tower
3 Hoi Shing Road, Tsuen Wan
New Territories
Hong Kong

Dear Sirs,

In accordance with the instructions given to us by the present management of Nimble Holdings Company Limited (hereinafter referred to as the **"Instructing Party"** or the **"Company"**), we have conducted an appraisal on the possible market value of the entire equity interest in Unijoy Limited (hereinafter referred to as **"Unijoy"** or the **"Target Company"**) and its subsidiaries attributable to the shareholders of Unijoy as at 31 December 2020 (hereinafter referred to as the **"Valuation Date"**) for the Instructing Party's internal management reference purpose in relation to, inter alia, disposal of the Target Company.

We understand that the Instructing Party will refer our work product (in any form of presentation) as part of its business due diligence, and we have not been engaged to make specific sales or purchase recommendations. We further understand that the Instructing Party will not rely solely on our work, and that the use of our work product will not supplant other due diligence which the Instructing Party should conduct in reaching its business decision with regards to the Target Company. Our work is designed solely to provide information that will give a reference to the Instructing Party as part of its due diligence process, and our work should not be the only factor to be referenced by the Instructing Party.

INSTRUCTION

In this appraisal (the word *appraisal* has the same meaning of *valuation* in this report), we were instructed to analyse the subject business enterprise, i.e. the Target Company, and to express our opinion of the possible market value of the entire equity interest in Unijoy and its subsidiaries attributable to the shareholders of Unijoy (hereinafter referred to as the “**Appraised Asset**”), as at the Valuation Date, on a going concern basis, and based on documents and information provided by the Instructing Party or the appointed personnel of the Company.

The term “Market Value” is defined by the International Valuation Standards (hereinafter referred to as the “**IVS**”) and published by the International Valuation Standards Council as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

We further assumed that, subject to the above definition, both the buyer and the seller contemplate the retention of the Target Company at its existing status for the continuation of the current operations as a going concern business, and both seeking their maximum economic self-interest in arriving at an arm’s-length transaction.

THE APPRAISED ASSET

The Company was incorporated in the Cayman Islands and continued in Bermuda as an exempted company with limited liability under the Companies Law of Bermuda. The address of its registered office is Wessex House, 5th Floor, 45 Reid Street, Hamilton HM12, Bermuda. The principal place of business is Flat C01, 32th Floor, TML Tower, 3 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

The Company is an investment holding company. The principal activities of the Company's major subsidiaries are holding and licensing of brands and trademarks on a worldwide basis, distribution of houseware products and audio products in the United States of America, and the trading of household appliances, provision of information technology services and property development in the People's Republic of China.

As of 31 December 2020, the Company had a market capitalisation of approximately HK\$3.35 billion with issued shares of 5,492,232,889. According to Annual Report 2019/20 of the Company, it had an audited turnover of approximately HK\$240 million and an audited net loss of approximately HK\$108 million, respectively, for the year ended 31 March 2020.

The Target Company was incorporated in the British Virgin Islands with issued and fully paid ordinary share capital/paid registered capital of US\$1. As at the Valuation Date, the Target Company was an indirect wholly owned subsidiary of the Company. The Target Company is an investment holding company, and through its subsidiaries, holds and licenses 3 brands on a worldwide basis, namely Akai, Sansui and Nakamichi, which are recognised for a wide range of world-class quality audio-visual equipment, consumer electronics gadgets and digital products.

ESTABLISHMENT OF TITLES

Due to the purpose of this valuation, the Instructing Party provided us the necessary documents to support that the legally interested parties in the Appraised Asset have free and uninterrupted rights to assign the Appraised Asset (in this instance, an absolute title, a part of or the whole of) free of all encumbrances and any premiums payable have already been paid in full or outstanding procedures have been completed. However, our procedures to value as agreed with the Instructing Party did not require us to conduct legal due diligence on the legality and formality on the way that the legally interested parties obtained the Appraised Asset from the relevant authorities. Thus, no responsibility or liability is assumed from our part to the origin and continuity of the titles to the Appraised Asset.

We need to state that we are not legal professionals and are not qualified to ascertain the titles and to report any encumbrances that may be registered against the Appraised Asset. All documents disclosed (if any) are for reference only and no responsibility is assumed for any legal matters concerning the legal title and the rights (if any) to the Appraised Asset valued. We take no responsibility for our misinterpretation of the documents.

In our valuation, we have assumed that the legally interested parties in the Appraised Asset have obtained all the approval and/or endorsement from the relevant authorities, and that there would have no legal impediment (especially from the regulators) for the legally interested parties to continue the ownership of the Appraised Asset. Should this not be the case, it will affect our conclusion in this report significantly. Readers are reminded to perform their own legal due diligence work on such issues. No responsibility or liability is assumed in respect of the aforementioned matters.

VALUATION PROCEDURES ADOPTED

In performing the appraisal, we have adopted the following agreed-upon procedures which were agreed with the Instructing Party prior to the commencement of this engagement. They were:

- to read the supplied materials and based on the content of the materials such as product information, market condition and development, financial information, and the scale of the going concern of the Target Company to arrive at our opinion. In the course of valuation, we will assume the information that contained in the materials is correct and we will not verify or ascertain the correctness of the information contained in the materials;
- to prepare and submit a list(s) of required document and information regarding the operation of the Target Company during the course of valuation. The completeness of the valuation depends on the availability of the required information being supplied by the Instructing Party or the appointed personnel of the Company;
- to hold discussions with relevant personnel and to review various accounting and financial documents in order to understand the scope of the Target Company's assets and operations;
- to obtain the latest available asset schedule on which to start the valuation;
- to gather relevant information regarding the type of business, its operation and the assets of the Target Company;
- to conduct appropriate study in order to obtain necessary industry and market information to support our opinion of value. The extent of research is at our discretion;
- to value the Appraised Asset using the respective standards of value that is most appropriate; and
- to document our findings and conclusion in our valuation report.

THE BASIS OF VALUE AND ASSUMPTIONS

The Appraised Asset is valued on the basis of "Market Value" in continued use or as a going concern business. The continued use premise assumes that the Appraised Asset will be used for the purpose for which the Appraised Asset was conceived or is currently used. Implicit in this definition is the fact that a hypothetical willing and able buyer would not pay more to acquire the Appraised Asset than he could reasonably expect to earn in the future from an investment in the Appraised Asset.

Our valuation has been made on the assumptions that, as at the Valuation Date,

1. the legally interested parties in the Appraised Asset have free and uninterrupted rights to assign the Appraised Asset (a part of or the whole of) for the whole of the unexpired terms as granted under the relevant government licences and any premiums/administrative costs payable have already been fully paid;
2. all the required licenses, certificates, consents, or other legislative or administrative authority from any local, provincial, or national government or private entity or organisation have been or can readily be obtained or renewed on which our valuation is based;
3. the prospective earnings of the current or projected business would provide a reasonable return to the Appraised Asset, and that the Target Company has adequate working capital to operate its business from time to time;
4. the management of the Target Company has adopted reasonable and necessary security measures and has considered several contingency plans against any disruption (such as change of government policy, natural disasters and labour dispute) to the Target Company's business;
5. there will be no material changes in the government policies or political, legal (including legislation or regulations or rules), fiscal (including interest rate and exchange rate) and market or economic conditions in the territories where the Target Company operated on a going concern basis;
6. the legally interested parties in the Appraised Asset can sell the Appraised Asset (a part of or the whole of) in the market in its existing state without the benefit of a deferred terms contract, leaseback, joint venture, management agreement or any other similar arrangement which could serve to increase the value of the interest;
7. the legally interested parties in the Appraised Asset have absolute title to its relevant interest;
8. the legally interested parties in the Appraised Asset have obtained relevant approvals for the sale of the Appraised Asset (a part of or the whole of) and are able to dispose of and transfer free of all encumbrances (including but not limited to the cost of transaction) in the market; and
9. the Appraised Asset can be freely disposed and transferred free of all encumbrances for its existing uses in the market to both local and overseas purchasers without payment of any premium to the government.

Should any of the above not be the case, it will have adverse impact to the reported findings and conclusion herein.

FACTORS CONSIDERED IN THE VALUATION

Unless otherwise stated, the valuation of the Appraised Asset has taken account of a number of pertinent factors affecting the operations of the Target Company's business and its ability to generate future investment returns. The factors considered in the valuation included, but were not limited to, the following:

- the nature of the Appraised Asset;
- the capability and determination of the management of the Target Company to follow the business plan;
- the capability and determination of the management of the Target Company to renew and to maintain all the necessary contracts, licences, permits and approvals from time to time to make the business be on-going;
- the capability and determination of the management of the Target Company to maintain and expand its existing clientele and its favourable working relationship with its customers;
- the capability and determination of the management of the Target Company to continue the existing marketing and distribution strategies;
- the capability and determination of the management of the Target Company to maintain its existing qualification and management standards and to review/up-lift its standards to catch the market need from time to time;
- the commitment of the management of the Target Company to protect the Appraised Asset against any disruption of the normal business;
- the commitment of the management of the Target Company to maintain a cost effective and stable supply chain of resources/factors of production to service to its customers on time and within budget;
- the economic and industry data affecting the Appraised Asset and the relevant market;
- market-derived investment returns in similar nature of entities; and
- the risks facing the Target Company and the Appraised Asset.

APPROACH TO VALUE

In the process of valuation, we have considered the three generally accepted business enterprise appraisal approaches to value, namely, the Income Approach, the Market Approach and the Asset-based Approach.

The Income Approach

The Income Approach focuses on the economic benefits generated by the income-producing capability of a business enterprise. The underlying theory of this approach is that the value of a business enterprise can be measured by the present worth of the economic benefits to be received over the useful life of the business enterprise. Based on this valuation principle, the Income Approach estimates the future economic benefits and discounts these benefits to its present value using a discount rate suitable for the risks associated with realising those benefits. Alternatively, this can be calculated by capitalising the economic benefits to be received in the next period at an appropriate capitalisation rate. This is subject to the assumption that the business enterprise has been maintaining stable economic benefits and growth rate. The core idea under this approach is that a rational buyer normally will purchase an asset only if the present value of the expected economic benefits is at least equal to the purchase price. Likewise, a rational seller normally will not sell if the present value of the expected economic benefits is more than the selling price. Thus, a sale generally will occur at an amount equals to the economic benefits of the asset being valued.

After discussion with the Instructing Party, we were given to understand that the financial projections of Unijoy on a consolidated basis may not be available. Instead, the Instructing Party has provided to us separate financial projections of royalty incomes derived from the licensing of each of Akai, Sansui and Nakamichi, which are the major assets and revenue drivers of Unijoy. As such, the Income Approach was not adopted to directly arrive at the value of the Appraised Asset on a consolidated basis, but was applied in estimating individually the 3 brands constituting the major assets of Unijoy. For details, please refer to the subsequent section about the Asset-based Approach.

The Market Approach

The Market Approach is basically a comparison method to value a business enterprise by comparing to the prices at which other similar business nature companies or interests changed hands in arm's-length transactions. The underlying theory of this approach is one would not pay more than one would have to pay for an equally desirable alternative. Therefore, the valuer will seek valuation guidance for valuation indication from the prices of other similar companies or equity interests in companies that were sold recently. The right transactions used in analysing for valuation indication need to be sales on an arm's-length basis, assuming that the buyers and sellers are well informed and have no special motivations or compulsions to buy or to sell. Then, based on those transactions, multiples (i.e. financial ratios) are derived to apply to the fundamental financial variables of the subject business enterprise and to arrive at an indicated value of the subject business enterprise. The most commonly known multiples are price-to-earnings ("P/E"), price-to-sales (or revenue) ("P/S"), price-to-book ("P/B") and enterprise value-to-EBITDA (earnings before interest, taxes, depreciation and amortisation) ("EV/EBITDA") multiple.

There are two methods of the Market Approach known as the Guideline Publicly Traded Company Method (by using similar company daily stock transaction prices) and the Guideline Merged and Acquired Company Method. Both methods need to rely on analysing available similar transacted comparables, and the big difference is on the structure of transactions – daily stock transaction prices in public market or mergers and acquisitions as occurred. In most cases, finding good market comparables is often difficult (particularly for those mergers and acquisitions) for there is no single marketplace where similar assets change hands between buyers and sellers, who are well informed and have no special motivations or compulsions to buy or to sell, are recorded.

According to the latest consolidated management accounts of Unijoy provided by the Instructing Party, Unijoy has incurred revenue and net loss attributable to shareholders of approximately US\$7,435,000 and US\$4,322,000, respectively, for the year ended 31 March 2020. For the 9 months ended 31 December 2020, Unijoy has incurred revenue and net profit attributable to shareholders of approximately US\$2,544,000 and US\$553,000, respectively. Due to the high fluctuations in the historical financial performance, we have reservation to use the Market Approach in arriving at the value of the Appraised Asset.

The Asset-based Approach

The assumption of this approach is that when each of the elements of working capital, tangible and intangible assets is individually valued, their sum represents the value of a business enterprise and equals to the value of its invested capital (equity and long-term debt). In other words, the value of the business enterprise is represented by the money that has been collected to purchase the business assets needed. This money comes from investors who buy stocks of the business enterprise (equity) and investors who lend money to the business enterprise (debt). After collecting the total amount of money from equity and debt, and converted into various types of assets of the business enterprise for its operation, their sum equals to the value of the business enterprise.

From a valuation perspective, the valuer will restate the value of all types of assets of a business enterprise from book value i.e. historical cost minus depreciation to appropriate standards of value. After the restatement, the valuer can identify the indicated value of the business enterprise, or, by applying the accounting principle “assets minus liabilities” to arrive at the value of the equity interests of the business enterprise. The former is known as Asset Accumulation Method and the latter known as Adjusted Net Asset Method though they are identically the same. There is another method known as Excess Earning Method which is a collective valuation of all intangible assets as a group by capitalised returns over and above a reasonable rate of return on tangible assets and adding the capitalised value of intangibles plus the estimated value of tangible assets to become the value of a business enterprise. However, some practitioners prefer to classify this method as a hybrid method for it combines asset value with a capitalised earnings component.

By employing the Asset-based Approach in our valuation, the assets, which comprise the Appraised Asset, are analysed, adjusted and appraised individually. For the purpose of this appraisal, the Instructing Party or the appointed personnel of the Company provided us with a copy of the historical consolidated financial statements of the Target Company as at the Valuation Date. Since the Company has already made adjustments, if any, regarding inter-related company entries, we have adopted the provided balance sheets as the latest balance sheets at the Valuation Date. Should this not be the case, it will affect the values reported in this report significantly.

Based on the consolidated balance sheet of the Target Company, the assets and liabilities of the Appraised Asset are comprised of:

1. Monetary Assets
2. Intangible Assets
3. Liabilities

Monetary Assets

Monetary Assets comprised prepayments, deposits and other assets, amounts due from other group companies of the Company, cash and bank, financial assets, and this amounted to US\$2,894,000 in the book as at the Valuation Date. Majority of Monetary Assets is attributed to cash and bank balance, which amounted to US\$1,933,000. Based on the agreed upon procedures and that the monetary assets are generally considered to be more liquid in nature, book costs have been adopted for Monetary Assets in our valuation.

Intangible Assets

Intangible Assets comprised brands and trademarks attributable to Akai, Sansui and Nakamichi, and this amounted to US\$8,804,000 in the book as at the Valuation Date.

In choosing the Income Approach as the most appropriate approach, we have adopted the Relief from Royalty Method, which is commonly used in valuations of brands, brand names and trademarks. Relief from Royalty Method is one of the Yield Capitalisation Methods (also known as the Discounted Cash Flow Method) to identify the indication value of the intangible asset by discounting the future economic benefits of the intangible asset throughout its economic life to its present value. By using this method, the intangible asset is valued by reference to the estimated amount of royalty income it can generate if it was licensed as at the Valuation Date, in an arm's length transaction, to a third party. Given the brands and trademarks attributable to Akai, Sansui and Nakamichi have been licensed to third parties with observable royalty rates and proven revenues derived, the Relief from Royalty Method is considered appropriate in the valuation of the intangible assets.

In considering the Discounted Cash Flow analysis as the most appropriate method to assess the value of the intangible assets, we have used the Net Present Value (“NPV”) technique. By using this technique, the expected net cash flows generated from the intangible assets are set out year by year, and brought to a present value by use of present value factors at the appropriate rate. In constructing the cumulative present value table, positive present values are netted off against deficit present values so as to arrive at the “net present value”.

The NPV is the difference between the present values of project benefits and project costs. The NPV is computed using the following formula (for illustration purpose):

$$\text{NPV} = \sum_{i=0}^n \frac{b_i - c_i}{(1+r)^i}$$

Where b_i = benefits in period i
 c_i = costs in period i
 r = discount rate
 n = discounting period
 i = period

The first step of the valuation is to estimate the economic income projection. For the purpose of valuation, the Instructing Party was requested to provide the financial projections for the 10 years from 2021 to 2030. The financial projections include royalty income which is derived from the licensing of the brands and trademarks on a worldwide basis. The projections of the future revenues used in this valuation are mainly based on the information as provided by the Instructing Party or the appointed personnel of the Company, and they are responsible for the assumptions upon which the projections are based. Having discussed with the Instructing Party, we understood that the assumptions adopted by them reflected their judgment of the ability of the intangible assets to generate income from the market. We are given to understand that it represented the most likely result to be made by the subject intangible assets. These data have been utilised without further verification.

The next step is to estimate the appropriate present value factor i.e. discount rate. Discount rate equals to the cost of capital. The cost of capital represents investors’ expectations and for any given investment is a combination of three basic factors, namely the risk-free rate, the expected inflation and a premium for risk. There are many ways to estimate the discount rate such as the Build-up Model, the Capital Asset Pricing Model and the Arbitrage Pricing Model for equity investment and the Weighted Average Cost of Capital for normal project investment. The use of the appropriate model in each analysis depends on numerous factors, in particular the future capital structure of the investment. There is no universal model that applies to all cases. In estimating the discount rate of the subject intangible assets, we have considered the Capital Asset Pricing Model (“CAPM”).

The CAPM is a model in which the cost of capital for any stock or portfolio of stocks equals a risk-free rate plus a risk premium that is proportionate to the systematic risk of the stock or portfolio (see ASA Business Valuation Standards). The CAPM concluded that a security's equity risk premium (the required excess rate of return for a security over and above the risk-free rate) is a linear function of the security's beta.

This linear function is described as follows, for illustration purpose,

$$r_a = r_f + \beta_a (r_m - r_f)$$

Where, r_a = CAPM derived discount rate

r_f = risk free rate

β_a = beta of the asset

r_m = expected market return

In estimating the discount rate in the valuation, we have adopted the market-derived discount rate by the CAPM using the market data of listed companies engaged in consumer electronics and consumer appliances business with reference to regions or products which the brands and trademarks attributable to Akai, Sansui and Nakamichi were licensed. The business of the identified comparable companies is described as follows.

Akai

Company Name (Ticker)	Business Description
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Whirlpool Corp (WHR US)	Whirlpool Corporation manufactures and markets major home appliances. The company's principal products include laundry appliances, refrigeration, room air conditioning equipment, cooking appliances, dishwashers, and mixers and other small household appliances. Whirlpool products are sold worldwide.
Vestel Elektronik Sanayi ve Ticaret AS (VESTL TI)	Vestel Elektronik Sanayi ve Ticaret A.S. manufactures air conditioners, refrigerators, monitors, televisions, portable satellite receivers, personal computers, and television tuners. The company produces the Digital Media Player TV, which plays CDs, DVDs, and memory cards. Vestel markets its products worldwide.

Company Name (Ticker)	Business Description
SEB SA (SK FP)	SEB S.A. manufactures small household appliances. The company produces cookware, electric cookers, food and beverage preparation equipment, vacuum cleaners, and personal care items. SEB's products are sold globally.
Khind Holdings Bhd (KHIN MK)	Khind Holdings Berhad is an investment holding company. The company, through its subsidiaries, manufactures and trades electrical home appliances, home appliances, and wiring accessories. Khind Holdings also assembles wire harness and power supply cords.
IFB Industries Ltd (IFBI IN)	IFB Industries Ltd. manufactures household appliances, machine tools, and automobile parts. The company produces washing machines, clothes dryers, microwave ovens, and household and commercial dishwashers; machine tools such as straighteners, decoilers and strip loaders; motors for appliances; and automobile parts.
Electrolux AB (ELUXB SS)	Electrolux AB is an appliance company based in Sweden. The company's products include refrigerators, dishwashers, washing machines, cookers, vacuum cleaners, air conditioners and small domestic appliances.
Electra Consumer Products 1970 Ltd (ECP IT)	Electra Consumer Products (1970) Ltd. offers a wide range of appliances. The company offers products that include air conditioning systems, washing machines and dryers; refrigerators, ovens and microwaves; and a full complement of home entertainment systems and personal grooming devices. Electra Consumer Products also offers cellular phones and personal computers.

Company Name (Ticker)	Business Description
De' Longhi SpA (DLG IM)	De'Longhi is a designer, manufacturer and distributor of small domestic appliances worldwide, with market shares in the espresso coffee makers, food preparation, comfort and home care segments. The group's brand portfolio comprises De'Longhi, Kenwood, Braun (through a perpetual licensing agreement for selected product categories) and Ariete.
Arcelik AS (ARCLK TI)	Arcelik A.S. manufactures and sells refrigerators, washing machines, cooking appliances, vacuum cleaners, refrigeration compressors, electric motors and consumer electronics products. The company markets its products under the brand names Arçelik and Beko. Arçelik sells its products in Turkey and exports throughout continental Europe, the United Kingdom, and Tunisia.
Amica SA (AMC PW)	Amica S.A. manufactures household appliances. The company produces various products including refrigerators, ovens, vacuum cleaners, washing machines, dishwashers, microwave ovens, toasters, blenders, and grills. Amica sells its products around the world.
Panasonic Corp (6752 JP)	Panasonic Corporation manufactures electric and electronic products. The company produces home appliances, car navigation systems, digital devices, computer peripherals, telecommunications, industrial equipment, and electronic parts. Panasonic has associated companies around the world.

Company Name (Ticker)	Business Description
Emerson Radio Corp. (MSN US)	Emerson Radio Corp. designs, markets, and licenses televisions, other video products, microwave ovens, clocks, radios, and audio and home theater products. The company also, through its partially-owned subsidiary, is a direct marketer of sports-related equipment and leisure products to the institutional market, including schools, military facilities, and athletic teams.
Bang & Olufsen A/S (BO DC)	Bang & Olufsen A/S is a manufacturing company. The company develops, designs, and produces technically advanced music systems, TVs, home theater systems, audio and video recorders, and telephones. Bang & Olufsen operates worldwide, via shops, the internet, and distribution networks.
JVCKenwood Corp (6632 JP)	JVCKENWOOD Corporation engages in manufacturing and sales of automotive products. The company produces and distributes car audio and video system, car navigation system, drive recorder, and other automotive devices. JVCKENWOOD also provides public services, media services, and other services.
Sharp Corp/Japan (6753 JP)	Sharp Corporation manufactures consumer and industrial electronics. The company's products include audio-visual and communication equipment such as LCD TVs and mobile phones, home appliances, and electronic components including solar cells and integrated circuits. Sharp operates its business worldwide.

Source: Bloomberg/Annual reports

After adjustments and removing outliers, we have adopted a (relevered) beta of approximately 0.82 for the brands and trademarks attributable to Akai. Details for the selected comparable companies as at the Valuation Date are listed as follows.

Ticker	Name of the Comparable Listed Companies	Adjusted Beta	D/E
WHR US	Whirlpool Corp	1.175	0.57
VESTL TI	Vestel Elektronik Sanayi ve Ticaret AS	1.028	1.23
SK FP	SEB SA	0.789	0.48
KHIN MK	Khind Holdings Bhd	0.743	0.70
IFBI IN	IFB Industries Ltd	0.984	0.07
ELUXB SS	Electrolux AB	1.008	0.30
ECP IT	Electra Consumer Products 1970 Ltd	0.835	0.09
DLG IM	De' Longhi SpA	0.697	0.17
ARCLK TI	Arcelik AS	0.913	0.83
AMC PW	Amica SA	0.721	0.25
6752 JP	Panasonic Corp	1.138	0.56
MSN US	Emerson Radio Corp.	0.407	0.02
BO DC	Bang & Olufsen A/S	0.913	0.05
6632 JP	JVCKenwood Corp	1.105	3.09
6753 JP	Sharp Corp/Japan	1.101	0.93

* Due to rounding process, the figures may be different from the actual worksheet.

Source: Bloomberg

The risk free rate and the market premium, being the difference between expected market return and the risk free rate, adopted in the valuation depend on the licensed territory applicable to various licensees under the licensing contracts with respect to the intangible assets. After considering additional size premium and specific risk premium, the adopted discount rates in the valuation for the brands and trademarks attributable to Akai range from approximately 17% to 23%.

Sansui

Company Name

(Ticker)

Business Description

Ya Horng Electronic Co Ltd (6201 TT)	Ya Horng Electronic Co., Ltd. develops, manufactures, and markets home use turntables, professional music equipment, CD (compact disc) players, and studio music instruments. The company also distributes home appliances such as food processors, blenders, deep fat fryers, and food steamers.
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Company Name (Ticker)	Business Description
Sampo Corp (1604 TT)	Sampo Corporation manufactures and markets electronic products, communication equipment, and home appliances. The company's main products are television sets, multimedia monitors, digital video discs, flyback transformers, washing machines, air conditioners, refrigerators, fax machines, and cordless phones. Sampo sells its products throughout Taiwan and exports overseas.
Funai Electric Co Ltd (6839 JP)	FUNAI ELECTRIC CO., LTD. manufactures audio-visual equipment such as televisions and DVD/Blue-ray recorder. The company also produces office equipment such as printers and computer related equipment. The company produces products as OEM (Original Equipment Manufacturer) as well as sells at own brand worldwide.
Formosa Prosonic Industries BHD (FOR MK)	Formosa Prosonic Industries Berhad assembles high quality speaker systems and manufactures printed circuit boards. Through its subsidiaries, the company manufactures molded plastic components for audio and video equipment, and also develops, manufactures and markets drive-unit high technology loudspeakers.
SEB SA (SK FP)	SEB S.A. manufactures small household appliances. The company produces cookware, electric cookers, food and beverage preparation equipment, vacuum cleaners, and personal care items. SEB's products are sold globally.
Kang Yong Electric PCL (KYE TB)	Kang Yong Electric Public Company Limited manufactures and exports home electrical appliances under Mitsubishi brand name. The company's products include fans, refrigerators, televisions, washing machines, water pumps and rice cookers. Its products are sold domestically and exported to Hong Kong, Japan, and the South East Asian countries.

Company Name (Ticker)	Business Description
IFB Industries Ltd (IFBI IN)	IFB Industries Ltd. manufactures household appliances, machine tools, and automobile parts. The company produces washing machines, clothes dryers, microwave ovens, and household and commercial dishwashers; machine tools such as straighteners, decoilers and strip loaders; motors for appliances; and automobile parts.
Electra Consumer Products 1970 Ltd (ECP IT)	Electra Consumer Products (1970) Ltd. offers a wide range of appliances. The company offers products that include air conditioning systems, washing machines and dryers; refrigerators, ovens and microwaves; and a full complement of home entertainment systems and personal grooming devices. Electra Consumer Products also offers cellular phones and personal computers.
Bajaj Electricals Ltd (BJE IN)	Bajaj Electricals Limited manufactures electric fans and general lighting items, such as lamps, special lamps, fluorescent tubes, and lighting fixtures. The company also manufactures consumer durables like small electrical appliances.
Abans Electricals PLC (ABAN SL)	Abans Electricals PLC manufactures and services household electrical appliances. The company provides different types of sales and after sales services. Abans Electricals serves in SriLanka.
Panasonic Corp (6752 JP)	Panasonic Corporation manufactures electric and electronic products. The company produces home appliances, car navigation systems, digital devices, computer peripherals, telecommunications, industrial equipment, and electronic parts. Panasonic has associated companies around the world.
Taiwan Sanyo Electric Co Ltd (1614 TT)	Taiwan Sanyo Electric Co Ltd manufactures and markets home appliances. The company's products include refrigerators, air conditioners, washers, color televisions, and video cassette recorders. Sanyo sells its products throughout Taiwan.

Source: Bloomberg/Annual reports

After adjustments and removing outliers, we have adopted a (relevered) beta of approximately 0.76 for the brands and trademarks attributable to Sansui. Details for the selected comparable companies as at the Valuation Date are listed as follows.

Ticker	Name of the Comparable Listed Companies	Adjusted Beta	D/E
6201 TT	Ya Horng Electronic Co Ltd	0.543	0.01
1604 TT	Sampo Corp	0.761	0.16
6839 JP	Funai Electric Co Ltd	1.033	0.08
FOR MK	Formosa Prosonic Industries BHD	0.869	0.01
SK FP	SEB SA	0.789	0.48
KYE TB	Kang Yong Electric PCL	0.584	0.00
IFBI IN	IFB Industries Ltd	0.984	0.07
ECP IT	Electra Consumer Products 1970 Ltd	0.835	0.09
BJE IN	Bajaj Electricals Ltd	0.808	0.12
ABAN SL	Abans Electricals PLC	1.075	0.93
6752 JP	Panasonic Corp	1.138	0.56
1614 TT	Taiwan Sanyo Electric Co Ltd	0.707	0.00

* Due to rounding process, the figures may be different from the actual worksheet.

Source: Bloomberg

The risk free rate and the market premium, being the difference between expected market return and the risk free rate, adopted in the valuation depend on the licensed territory applicable to various licensees under the licensing contracts with respect to the intangible assets. After considering additional size premium and specific risk premium, the adopted discount rates in the valuation for the brands and trademarks attributable to Sansui range from approximately 17% to 23%.

Nakamichi

Company Name (Ticker)	Business Description
Tonly Electronics Holdings Ltd (1249 HK)	Tonly Electronics Holdings Limited operates as a manufacturing services provider in the audio-visual products industry. The company focuses on the research and development, manufacturing and sales of AV products, such as DVD Players, BD Players and media boxes for third parties' brands on an ODM basis.
Singing Machine Co Inc/The (SMDM US)	The Singing Machine Company, Inc. produces and distributes consumer-oriented karaoke machines, including compact disc and graphics (CD+G) machines. The company also produces and distributes CD+G and audio karaoke music. Singing Machine's products are sold through the Internet, in retail stores, and in catalogs.
Onkyo Home Entertainment Corp (6628 JP)	Onkyo Home Entertainment Corp provides consumer electronics. The company offers design, development, and sales of automotive speaker systems. Onkyo serves customers worldwide.
Hanpin Electron Co Ltd (2488 TT)	Hanpin Electron Co., Ltd. manufactures and markets consumer electronic products. The company's products include stereo compact disc (CD) systems, video CDs, karaoke systems, one block music systems, consumer turntables, CD mechanism, and servo boards. Hanpin also invests in real estate business.
Guoguang Electric Co Ltd (002045 CH)	Guoguang Electric Co., Ltd. manufactures and sells loudspeakers and loudspeaker boxes for a variety of markets, including car audio, home theater, and professional sound markets.
Funai Electric Co Ltd (6839 JP)	FUNAI ELECTRIC CO., LTD. manufactures audio-visual equipment such as televisions and DVD/Blue-ray recorder. The company also produces office equipment such as printers and computer related equipment. The company produces products as OEM (Original Equipment Manufacturer) as well as sells at own brand worldwide.

Company Name (Ticker)	Business Description
Formosa Prosonic Industries BHD (FOR MK)	Formosa Prosonic Industries Berhad assembles high quality speaker systems and manufactures printed circuit boards. Through its subsidiaries, the company manufactures molded plastic components for audio and video equipment, and also develops, manufactures and markets drive-unit high technology loudspeakers.
Focusrite PLC (TUNE LN)	Focusrite PLC operates as a global music and audio production company. The company supplies hardware and software products to both professional and amateur customers. Focusrite develops and markets its products under the brand names, Focusrite and Novation.
ESTec Corp/Republic of Korea (069510 KS)	ESTec Corporation specializes in manufacturing a variety of speakers. The company's products include automotive speaker, HiFi speaker, multimedia speaker system, television speaker, and general speaker. ESTec sells its products primarily on an original equipment manufacturing (OEM) basis to domestic and overseas markets.
Dantax A/S (DANTB DC)	Dantax A/S develops and markets audio and video products, information equipment, and accessories. The company's product line includes televisions, VCRs, DVD and CD players, loudspeakers, radios, weather stations, wireless thermometers, and electronic clocks, as well as CD racks, shelves, and organizers. Dantax sells its product in northern Europe.
Anam Electronics Co Ltd (008700 KS)	Anam Electronics Co., Ltd. specializes in manufacturing audio and video products, such as wide screen televisions, video cassette recorders, and DVD players. The company also produces digital set-top boxes that receive satellite broadcasting programs.

Company Name (Ticker)	Business Description
Khind Holdings Bhd (KHIN MK)	Khind Holdings Berhad is an investment holding company. The company, through its subsidiaries, manufactures and trades electrical home appliances, home appliances, and wiring accessories. Khind Holdings also assembles wire harness and power supply cords.
VOXX International Corp (VOXX US)	VOXX International Corp. markets automobile sound, vehicle security, mobile video systems, and consumer electronics products. The company markets its products both domestically and internationally under its own brands.
HiVi Acoustics Technology Co Ltd (002888 CH)	HiVi Acoustics Technology Co., Ltd manufactures electronic products. The company produces home theaters, digital home control systems, multimedia audios, internet audios, car audios, professional audios, intelligent broadcasting systems, speakers, and other products. HiVi Acoustics Technology markets its products throughout China.
Bang & Olufsen A/S (BO DC)	Bang & Olufsen A/S is a manufacturing company. The company develops, designs, and produces technically advanced music systems, TVs, home theater systems, audio and video recorders, and telephones. Bang & Olufsen operates worldwide, via shops, the internet, and distribution networks.
JVCKenwood Corp (6632 JP)	JVCKENWOOD Corporation engages in manufacturing and sales of automotive products. The company produces and distributes car audio and video system, car navigation system, drive recorder, and other automotive devices. JVCKENWOOD also provides public services, media services, and other services.
Sharp Corp/Japan (6753 JP)	Sharp Corporation manufactures consumer and industrial electronics. The company's products include audio-visual and communication equipment such as LCD TVs and mobile phones, home appliances, and electronic components including solar cells and integrated circuits. Sharp operates its business worldwide.

Company Name (Ticker)	Business Description
Panasonic Corp (6752 JP)	Panasonic Corporation manufactures electric and electronic products. The company produces home appliances, car navigation systems, digital devices, computer peripherals, telecommunications, industrial equipment, and electronic parts. Panasonic has associated companies around the world.

Source: Bloomberg/Annual reports

After adjustments and removing outliers, we have adopted a (relevered) beta of approximately 0.85 for the brands and trademarks attributable to Nakamichi. Details for the selected comparable companies as at the Valuation Date are listed as follows.

Ticker	Name of the Comparable Listed Companies	Adjusted Beta	D/E
1249 HK	Tonly Electronics Holdings Ltd	0.612	0.07
SMDM US	Singing Machine Co Inc/The	0.623	0.24
6628 JP	Onkyo Home Entertainment Corp	0.971	0.41
2488 TT	Hanpin Electron Co Ltd	0.857	0.12
002045 CH	Guoguang Electric Co Ltd	1.170	0.26
6839 JP	Funai Electric Co Ltd	1.033	0.08
FOR MK	Formosa Prosonic Industries BHD	0.869	0.01
TUNE LN	Focusrite PLC	0.531	0.02
069510 KS	ESTec Corp/Republic of Korea	0.633	0.00
DANTB DC	Dantax A/S	0.449	0.03
008700 KS	Anam Electronics Co Ltd	0.995	0.22
KHIN MK	Khind Holdings Bhd	0.743	0.70
VOXX US	VOXX International Corp	0.968	0.04
002888 CH	HiVi Acoustics Technology Co Ltd	1.126	0.00
BO DC	Bang & Olufsen A/S	0.913	0.05
6632 JP	JVCKenwood Corp	1.105	3.09
6753 JP	Sharp Corp/Japan	1.101	0.93
6752 JP	Panasonic Corp	1.138	0.56

* *Due to rounding process, the figures may be different from the actual worksheet.*

Source: Bloomberg

The risk free rate and the market premium, being the difference between expected market return and the risk free rate, adopted in the valuation depend on the licensed territory applicable to various licensees under the licensing contracts with respect to the intangible assets. After considering additional size premium and specific risk premium, the adopted discount rates in the valuation for the brands and trademarks attributable to Nakamichi range from approximately 17% to 26%.

Liabilities

Liabilities comprised accrued liabilities and other payables, contract liabilities, taxation liabilities, and this amounted to US\$4,041,000 in the book as at the Valuation Date. We have relied on the consolidated financial statements of the Target Company as at the Valuation Date and book costs have been adopted for Liabilities.

The total liabilities were attributable to accrued liabilities and other payables, contract liabilities, and taxation liabilities, which accounted for US\$713,000, US\$1,460,000 and US\$1,868,000, respectively. After discussion with the Instructing Party, we were given to understand that the management of the Company was not aware of any factors indicating potential significant difference between the market value and the book costs of the liabilities, and we also considered that the carrying amounts of the liabilities were reasonable approximations to their market values.

Under this method and subject to the definition of this appraisal, the summation of the values of the individual appraised assets (both tangible and intangible) represents the total invested capital of the subject business enterprise. By employing the “assets minus liabilities”, the value of the equity interest can be arrived.

Based on the consolidated management accounts of the Target Company as at the Valuation Date provided to us, and the valuation procedures stated above, the value of the Appraised Asset as at the Valuation Date by adopting the Asset-based Approach, was derived as follows,

	Book Amount <i>(US\$)</i>	Valuation Adjustment <i>(US\$)</i>	Adjusted Value <i>(US\$)</i>
Monetary assets	2,894,000	–	2,894,000
Intangible assets	8,804,000	+1,197,550	10,001,550
Liabilities	(4,041,000)	–	(4,041,000)
Net Asset Value	7,657,000	+1,197,550	8,854,550
		DLOM (to be detailed in later section):	20.6%
		Indicated Value of the Appraised Asset:	7,030,000

* *The figures shown may not add to total due to rounding and may be different from the actual worksheet.*

The valuation adjustment of US\$1,197,550 to the intangible assets was arrived as follows,

	Book Amount <i>(US\$)</i>	Estimated Value <i>(US\$)</i>	Valuation Adjustment <i>(US\$)</i>
Akai	4,800,000	4,031,550	(768,450)
Sansui	2,404,000	4,580,000	2,176,000
Nakamichi	1,600,000	1,390,000	(210,000)
Total	8,804,000	10,001,550	+1,197,550

* *The figures shown may not add to total due to rounding and may be different from the actual worksheet.*

VALUATION COMMENTS

Since the Target Company is a private company, and by definition, ownership interests in closely held companies are typically not readily marketable, and not as liquid and as easily converted to cash compared to similar interests in the public companies. Therefore, a share of stock in a privately held company is usually worth less than an otherwise comparable share in a publicly held company. With reference to the 2020 edition of the Stout Restricted Stock Study Companion Guide published by Stout Risius Ross, LLC (“**Stout**”), we opted to apply a discount on lack of marketability (“**DLOM**”) for our valuation.

According to the information available to us, Stout is a global investment bank and advisory firm specializing in corporate finance, valuation, financial disputes, and investigations, serving a range of clients from public corporations to privately held companies in numerous industries. The Stout Restricted Stock Study is the largest fully-vetted DL0M database that provides the empirical support needed to determine a DL0M and thus, is a commonly adopted data source for the DL0M in valuation of private enterprises such as the Target Company.

The study has examined 759 private placement transactions of unregistered common stock, with and without registration rights, issued by publicly traded companies from July 1980 through December 2019. The DL0M adopted in our valuation was referenced to the overall average discount for all 759 transactions in the study (as of June 2020). The discount was calculated by dividing the difference between the private placement price and the market reference price by the market reference price. Since there is no conclusive evidence that suggests any significant relationships between the DL0M and a company’s industry, the use of the average discount for all private placement transactions covered by the study based on empirical data and arms-length deals as the DL0M was considered fair and reasonable for the valuation of the Appraised Asset.

MATTERS THAT MIGHT AFFECT THE VALUE REPORTED

No allowance has been made in our valuation for any charges, mortgages, outstanding premium or amounts owing on the Appraised Asset. Unless otherwise stated, we have received confirmation from the management of the Company and it is assumed accordingly that the Appraised Asset is free from all encumbrances, restrictions, and outgoings of an onerous nature which could affect its value.

In our valuation, we have assumed that the Appraised Asset is able to sell and purchase in the market without any legal impediment (especially from the regulators). Should this not be the case, it will affect the reported value significantly. Readers are reminded to have their own legal due diligence work on such issues. No responsibility or liability is assumed in respect of the aforementioned matters.

Unless otherwise stated, we are unable to identify any adverse news against the Target Company and the Appraised Asset which may affect the reported value in our report as at the Latest Practicable Date of this circular. Thus, we are not in the position to report and comment on its impact (if any) to the Target Company and the Appraised Asset. However, should it be established subsequently that such news did exist at the Valuation Date, we reserve the right to adjust the value reported herein.

INSPECTIONS AND INVESTIGATIONS

As agreed with the Instructing Party and due to the prevailing outbreak of the novel coronavirus resulting in the global pandemic and the relevant travel restrictions, we have not inspected any operations or assets of the Target Company or to conduct company visit to the Target Company. We have relied on the documents and information provided to us and our independent research in preparing the valuation. We cannot express an opinion about or advice upon the condition of uninspected parts and our report should not be taken as making any implied representation or statement about such parts. No structural survey, investigation, test or examination has been made. We are not able to report that operations or assets of the Target Company are free from rot, insect, infestation or any other defects. No tests were carried out to the services (if any) and we are unable to identify those services covered, unexposed or inaccessible.

If there is a third party other than the legally interested parties in the Appraised Asset proposing to acquire the Appraised Asset and want to satisfy them as to its condition, then the third party should obtain a relevant surveyor's detailed inspection and report of their own before deciding whether or not to enter into an agreement for sale and purchase.

SOURCES OF INFORMATION AND ITS VERIFICATION

For the purpose of valuing the Appraised Asset, we were furnished with various financial documents and other documents related to the Target Company as a going concern business. Any projections of the future revenues as a going concern business of the Target Company which the Appraised Asset would be benefited were prepared by the appointed personnel of the Instructing Party and they are responsible for the assumptions upon which the projections are based. These data have been utilised without further verification. We have had no reason to doubt the truth and accuracy of the information that we have been furnished. No responsibility is assumed for the accuracy of the provided information.

Due to the purpose of this engagement, the Instructing Party is requested to provide us the necessary documents to support its title to the Appraised Asset. In the course of valuation, we have been provided with copies of the documents regarding the Target Company. However, we have not conducted any searches or inspected the original documents to verify ownership or to verify any amendment which may not appear on the copies handed to us.

For the purpose of this valuation, we were furnished with various copies of documents related to this valuation and these copies have been referenced without further verifying with the relevant bodies and/or authorities. We need to state that we are not legal professionals, therefore, we are not in the position to advise and comment on the legality and effectiveness of the documents provided by the Instructing Party or the appointed personnel of the Company. Readers are reminded to have their own legal due diligence work on such issues. No responsibility or liability is assumed in respect of the aforementioned matters.

We have relied solely on the information provided by the Instructing Party or the appointed personnel of the Company without further verification and have fully accepted advice given to us on such matters as planning approvals or statutory notices, titles, easements, financial projections, corporation status, business scope, assets, tenure, occupation and all other relevant matters.

Our procedures to value did not include undertaking a feasibility study of any proposed expansion of the Target Company. Accordingly we do not express an opinion as to the merit or demerit of any future expansion.

Unless otherwise stated, we have not carried out a valuation on a redevelopment basis on any land that owned (if any), directly or indirectly by the Target Company and the study of possible alternative development options and the related economics do not come within the scope of our report.

We are not contracted to conduct a due diligence to review the consumer electronics industry. In the course of valuation, we have solely depended on the advice given by the Instructing Party. We are unable to accept any responsibility or liability for the reliability of the advice.

Our procedures did not include a full scope inspection of all the assets and service facilities in the premises and to prepare an error free asset list for the purpose of the valuation. In the valuation, we have relied on the information as contained in the balance sheet provided by the Instructing Party. No responsibility or liability is assumed from our part.

Our engagement did not include an independent survey to verify the assets of the Target Company. We are not in the position to verify or ascertain the correctness with regard to the information provided. In our valuation, we have solely relied on the advice given by the Instructing Party, no responsibility or liability is assumed.

Information furnished by others, upon which all or portions of our report are based, is believed to be reliable but has not been verified in all cases. Our procedures to value or work do not constitute an audit, review, or compilation of the information provided. Thus, no warranty is made nor liability assumed for the accuracy of any data, advice, opinions, or estimates identified as being furnished by others which have been used in formulating our report.

When we adopted the work products from other named or unnamed professionals, external data providers and/or the Instructing Party in our valuation, the assumptions and caveats adopted by them in arriving at their opinions were also applied in our valuation. The procedures we have taken do not require us to examine all the evidences, like an auditor, in reaching at our opinion. As we have not performed an audit, we are not expressing an audit opinion in our valuation.

We are unable to accept any responsibility for the information that has not been supplied to us by the Instructing Party. We have sought and received confirmation from the Instructing Party that no material factors have been omitted from the information supplied. Our analysis and valuation are based upon full disclosure between us and the Instructing Party of material and latent facts that may affect the valuation.

Unless otherwise stated, all monetary amounts are in United States dollars (US\$).

VALUATION RESULTS

Based on the investigation, analysis, stated assumptions, limitations, reasoning and data outlined above, and on the valuation method employed, the possible market value of the Appraised Asset (before taking into consideration any transaction cost) as of the Valuation Date was in the region of **UNITED STATES DOLLARS SEVEN MILLION AND THIRTY THOUSAND ONLY (US\$7,030,000)**.

LIMITING CONDITIONS

This report is provided strictly for the sole use of the Instructing Party as stated herein. Save as stipulated herein, neither the whole nor any part of this report or any reference made hereto may be included in any published documents, circular or statement, or published in any way, without our written approval of the form and context in which it may appear. Nonetheless, we consent to the publication of this report in this circular to the Company's shareholders' reference.

Our opinion of value in this report is valid only for the stated purpose and only for the Valuation Date. We or our personnel shall not be required to give testimony or attendance in court or to any government agency by reason of this report, and we accept no responsibility whatsoever to any other person.

No responsibility is taken for changes in market conditions and no obligation is assumed to revise this report to reflect events or change of government policy or financial condition or other conditions, which occur subsequent to the date hereof.

The opinions expressed in this report have been based on the information supplied to us by the Instructing Party or the appointed personnel of the Company. The readers are reminded that in case of any variance on the assumptions adopted in this valuation, the concluded value will be greatly affected. We do not accept responsibility for any errors or omissions in the supplied information and do not accept any consequential liability arising from commercial decisions or actions resulting from them.

STATEMENTS

Our opinion of value is based on generally accepted valuation procedures and practices that rely extensively on assumptions and considerations, not all of which can be easily quantified or ascertained exactly. While we have exercised our professional judgement in arriving at the valuation, readers are urged to consider carefully the nature of such assumptions which are disclosed in our report and should exercise caution in interpreting our report.

Our valuation is prepared in line with the guidelines on reporting as contained in the IVS. The valuation has been undertaken by us, acting as external valuer, qualified for the purpose of the valuation.

We retain a copy of our report together with the data provided to us for the purpose of this valuation, and these data and documents will, according to the Laws of Hong Kong, be kept for a period of 6 years from the date it provided to us and to be destroyed thereafter. We considered these records confidential, and we do not permit access to them by anyone, with the exception for law enforcement authorities or court order, without the Instructing Party's authorisation and prior arrangement made with us. Moreover, we will add the Company's information into our client list for our future reference.

We hereby certify that the fee for this service is not contingent upon our conclusion of value and we have no interest (direct or indirect) in the Appraised Asset, the Company or the value reported.

Yours faithfully,

For and on behalf of

LCH (Asia-Pacific) Surveyors Limited

Elsa Ng Hung Mui *BSc MSc RPS(GP)*

Executive Director

Contributing Valuers:

Ivan Chan Chun Ting *BSc*

Alice Zhu Wen Qing *BSc MSc*

Sr Elsa Ng Hung Mui has been conducting business interest valuation in Hong Kong for more than 20 years. She is a Fellow of The HKIS and a valuer on the List of Properties Valuers for Undertaking Valuation for Incorporation or Reference in Listing Particulars and Circulars and Valuation in Connection with Takeovers and Mergers published by The HKIS.

Set out below is the text of the letter on the valuation from the Accountants, Moore Stephens CPA Limited, Certified Public Accountants, Hong Kong, in respect of the Disposal for the purpose of inclusion in this circular.

**Moore Stephens CPA Limited**

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21 May 2021

The Board of Directors
Nimble Holdings Company Limited
Flat C01, 32/F, TML Tower
3 Hoi Shing Road, Tsuen Wan
New Territories
Hong Kong

Dear Sirs,

REPORT ON DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION WITH THE VALUATION OF UNIJOY LIMITED AND ITS SUBSIDIARIES

We have been engaged to report on the calculations of the discounted future estimated cash flows on which the valuation dated 21 May 2021 (the “**Valuation**”) prepared by LCH (Asia-Pacific) Surveyors Limited in respect of the entire equity interest of Unijoy Limited (the “**Target Company**”) and its subsidiaries attributable to the shareholders of Unijoy Limited (collectively, the “**Target Group**”) as at 31 December 2020 is based. The Valuation is prepared in connection with the proposed disposal of the Target Group by Grande N.A.K.S. Ltd., a wholly-owned subsidiary of Nimble Holdings Company Limited (the “**Company**”), as set out in the Company’s announcement dated 7 April 2021. The Valuation, which is based on the discounted future estimated cash flows is regarded as profit forecasts under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Directors’ Responsibility for the Discounted Future Estimated Cash Flows

The directors of the Company (the “**Directors**”) are responsible for the preparation of the discounted future estimated cash flows in accordance with the bases and assumptions determined by the Director as set out in the Valuation (the “**Assumptions**”). This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future estimated cash flows for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Reporting Accountant's Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Control 1 issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibility

Our responsibility is to report, as required by paragraph 14.62(2) of the Listing Rules, on the calculations of the discounted future cash flows used in the Valuation, and for no other purpose. We accept no responsibility to any other person in respect of our work, or arising out of or in connection with our work. We are not reporting on the appropriateness and validity of the Assumptions on which the Valuation is based and our work does not constitute any valuation of the Target Group. The discounted future estimated cash flows do not involve the adoption of accounting policies.

We conducted our work in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the HKICPA. This standard requires that we plan and perform our work to obtain reasonable assurance on whether the discounted future estimated cash flows, so far as the calculations are concerned, have been properly compiled in accordance with the Assumptions. We reviewed the arithmetical calculations and the compilation of the discounted future estimated cash flows in accordance with the Assumptions adopted by the Directors. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

The Assumptions used in the preparation of the discounted future estimated cash flows include hypothetical assumptions about future events and management actions which cannot be confirmed and verified in the same way as past results and these may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from those used in the Valuation and the variation may be material. Accordingly we have not reviewed, considered or conducted any work on the completeness, reasonableness and the validity of the Assumptions and do not express any opinion whatsoever thereon.

Opinion

In our opinion, based on the foregoing, the discounted future estimated cash flows, so far as the calculations are concerned, has been properly compiled, in all material respects, in accordance with the Assumptions made by the Directors.

Yours faithfully,

Moore Stephens CPA Limited

Certified Public Accountants

Hong Kong



21 May 2021

Listing Division
Hong Kong Exchanges and Clearing Limited
12/F, Two Exchange Square
8 Connaught Place, Central
Hong Kong

Dear Sir/Madam,

**MAJOR AND CONNECTED TRANSACTION
IN RELATION TO THE DISPOSAL OF
THE ENTIRE SHARE CAPITAL OF A SUBSIDIARY**

We refer to the valuation report dated 21 May 2021 prepared by LCH (Asia-Pacific) Surveyors Limited, an independent valuation firm (the “**Valuer**”) in relation to the valuation of Unijoy Limited as at 31 December 2020 (“**Valuation**”), which is set out in Appendix I to this circular. The Valuation is regarded as a profit forecast under Rule 14.61 of the Listing Rules (the “**Forecast**”). Unless the context requires otherwise, terms used in this letter have the same meanings as defined in the circular of the Company dated 21 May 2021.

We hereby confirm that we have discussed with the Valuer about different aspects and reviewed information and documents in relation to the bases and assumptions based upon which the discounted cash flow in the Valuation has been prepared, and reviewed the Valuation prepared by the Valuer for which the Valuer is responsible for. We have also reviewed the calculations for the discounted cash flow in the valuation report issued by the Valuer. We have also considered the letter from Moore Stephens CPA Limited dated 21 May 2021 as set out in Appendix II to this circular regarding the calculations for which the discounted cash flow in the Valuation upon which the Forecast has been made. We hereby confirm that the Forecast has been made after due and careful enquiry.

Yours faithfully,
For and on behalf of the Board
Nimble Holdings Company Limited
Tan Bingzhao
Chairman

1. FINANCIAL INFORMATION OF THE GROUP

Details of the financial information of the Group for each of the financial years ended 31 March 2018, 31 March 2019 and 31 March 2020 and for the six months ended 30 September 2020 are disclosed in the following documents which have been published on both the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.nimbleholding.com>):

- (a) the annual report of the Company for the year ended 31 March 2018 published on 24 July 2018 (pages 41 to 108):
<https://www1.hkexnews.hk/listedco/listconews/sehk/2018/0724/ltn20180724601.pdf>
- (b) the annual report of the Company for the year ended 31 March 2019 published on 24 July 2019 (pages 42 to 120):
<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0724/ltn20190724329.pdf>
- (c) the annual report of the Company for the year ended 31 March 2020 published on 22 July 2020 (pages 52 to 131):
<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0722/2020072200804.pdf>
- (d) the interim report of the Company for the six months ended 30 September 2020 published on 15 December 2020 (pages 5 to 38):
<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/1215/2020121500591.pdf>

2. INDEBTEDNESS STATEMENT**Indebtedness**

As at the close of business on 31 March 2021, being the latest practicable date for the purpose of this indebtedness statement prior to the publication of this circular, the Group had (i) outstanding unsecured and unguaranteed loans from/balance due to related parties of approximately HK\$3,494 million; (ii) an outstanding unsecured and unguaranteed loan from a non-controlling shareholder of approximately HK\$477 million; (iii) an outstanding unsecured and guaranteed bank loan of approximately HK\$2 million; and (iv) lease liabilities of approximately HK\$3 million.

Contingent liabilities

Save as set out below, the Group did not have significant contingent liabilities as at 31 March 2021:—

(i) Guarantees

The Group had provided guarantees of approximately HK\$177 million as at 31 March 2021 to banks in favour of the purchasers of the Group's properties under development up to an amount of 80% of the purchase price of an individual property in respect of the mortgage loans provided by the banks to such purchasers. These guarantees provided by the Group to the banks will be released upon receiving the building ownership certificates of the respective properties by the banks from the customers as a pledge for security to the mortgage loans granted.

Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with any accrued interests and penalties owed by the defaulted purchasers to the banks, and the Group is entitled to take over the legal title and possession of the related properties. The guarantees start from the respective dates of grant of the mortgage loans.

In the opinion of the Directors, the total fair value of the financial guarantee contracts of the Group is insignificant at initial recognition. The Directors also consider the possibility of default by the parties involved to be remote and in case of default in payments, the net realisable value of the related properties would be able to cover the outstanding principal together with the accrued interest and penalties. Accordingly, no value has been recognised in the consolidated statement of financial position as at 31 March 2021.

(ii) Legal cases

In an order made by the High Court of Hong Kong Special Administrative Region (the "**High Court**") on 9 May 2016 in respect of case HCCW 177/2011, the Company is required to:

- (a) indemnify and keep indemnified the former provisional liquidators in the event that the funds paid into court are insufficient to meet the taxed fees and expenses of the former provisional liquidators; and
- (b) indemnify and keep indemnified Mr. Fok Hei Yu and FTI Consulting (Hong Kong) Limited in respect of the costs of the defence of proceedings HCA 92/2014 (the "**Action**"), subject to the final determination of the Action.

HCA 92/2014 is a legal case filed in January 2014 in the High Court by Sino Bright Enterprises Co., Ltd., and HCA 1152/2017 is a legal case filed in May 2017 in the High Court by the Company (which was later consolidated with HCA 92/2014), against Mr. Fok Hei Yu and FTI Consulting (Hong Kong) Limited for alleged misrepresentation and the case is ongoing.

Further details in connection with the above legal cases are set out at pages IV-10 of this circular.

As at 31 March 2021, the Company has received no such requests for the related fees, costs and expenses.

The Directors are of the opinion that the estimated contingent liabilities as at 31 March 2021 arising from the legal cases cannot be reasonably ascertained.

Save as aforesaid or otherwise disclosed herein, and apart from intra-group liabilities and normal trade and other payables in the ordinary course of the business, the Group did not have other material debt securities issued and outstanding, debt securities authorised or otherwise created but unissued, term loans, mortgage, charges, bank overdrafts, liabilities under acceptances or other similar indebtedness, acceptance credits or hire purchase commitments, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees or other material contingent liabilities as at close of business on 31 March 2021.

For the purpose of the above indebtedness statement, functional currency amounts have been translated into Hong Kong dollars at the applicable rate of exchange prevailing at the close of business on 31 March 2021.

3. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date and to the best knowledge of the Directors, there was no material adverse change in the financial or trading position of the Group as a whole since 31 March 2020, being the date to which the latest published audited financial statements of the Company were made up.

4. WORKING CAPITAL SUFFICIENCY

The Directors are of the opinion that, taking into account the financial resources and banking facilities available to the Group, the Group will have sufficient working capital to satisfy its present requirements for the next twelve months from the date of this circular in the absence of unforeseen circumstances.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

As disclosed in the annual report of the Company for the year ended 31 March 2020 and the interim report of the Company for the six months ended 30 September 2020, the abrupt and rapid spread of the COVID-19 pandemic is expected to add to the woes, resulting from the lingering China-US trade conflict and uncertain geopolitical risks in different countries, which have put the economic growth of most countries on a slow growth trajectory. Although the agreement of a phase one deal between the PRC and the USA was signed in early 2020, uncertainties remain and warrant caution. Due to the global situation of the COVID-19 pandemic, the management is not optimistic as to the Group's operations in Emerson Radio Corp. ("**Emerson**"), licensing, PRC's housing appliances and PRC's IT services in the second half of the financial year ended 31 March 2021.

Emerson and licensing operations

Despite Emerson's efforts to monitor the external environment and to mitigate its repercussion on its business activities, it is not immune from these external risk factors. Notwithstanding, apart from expanding and strengthening its existing distribution channels, Emerson has been developing and promoting new products to regain shelf spaces in these and other retailers in the USA. During the six months ended 30 September 2020, Emerson recorded a revenue of approximately HK\$27 million. Persistent efforts have been put in investing in new products and marketing activities to increase its sales through internet and e-commerce channels and in identifying strategic courses of action related to its licensing activities. However, due to the ongoing COVID-19 pandemic, most licensees' businesses have faced difficulties by not being able to meet their respective projected purchases in accordance with their licensing agreements during the six months ended 30 September 2020. As such, the revenue generated by the licensing operation business was approximately HK\$8 million during the six months ended 30 September 2020, while the income recorded for the period could only cover its costs and expenses.

PRC's household appliances business

The PRC's household appliances business was also deeply hit by the COVID-19 pandemic. A revenue of approximately HK\$43 million and an operating profit of approximately HK\$5 million were recorded during the six months ended 30 September 2020. As economic activities in the PRC have been disrupted by the COVID-19 pandemic, the sales of the PRC's household appliances business have fallen. Besides, the competition in the household appliance trading industry in the PRC is fierce. The Group will therefore continue to keep itself abreast of this industry development and formulate and implement different business strategies as and when required and appropriate, in order for this business activities to be a steady source of income of the Group.

PRC's IT services business

Due to the global COVID-19 pandemic, most business activities in the major cities in the PRC have been delayed since early 2020. With this, the IT services operation has been suffering from searching new customers. For the six months ended 30 September 2020, the PRC's IT business recorded no income. This loss in income was due to the ongoing COVID-19 pandemic as most companies have had to reduce their budget for non-profit generating units. The management has therefore re-considered the Group's future development in this business sector as the prospects of this segment are uncertain, and the majority of the staff have voluntarily resigned during the six months ended 30 September 2020. If the COVID-19 pandemic continues in the second half of the financial year ended 31 March 2021, the management may consider to close down the operation of this segment.

PRC's property development business

The completion of the capital injection into Changsha Ningxiang Minjun Real Estate Development Co., Ltd.* (長沙市寧鄉敏駿房地產開發有限公司) (“**Ningxiang Minjun**”) at the end of November 2019 has marked a great milestone in the Group's development and meanwhile demonstrated the Group's determination in entering the PRC's property development business. During the six months ended 30 September 2020, the Group achieved a total contracted sales amount of approximately HK\$104 million (equivalent to approximately RMB94 million), with a total contracted sales gross floor area of approximately 19,800 sq.m. The average selling price was approximately HK\$5,300 (equivalent to approximately RMB4,700) per sq.m. It is expected that the delivery of these units will take place in around early 2022.

Since September 2020 and up to the Latest Practicable Date, the Group has acquired a total of seven parcels of land, two pieces of which are situated in Gongyi City, and the other five pieces of which are situated in Yangjiang City, Ningbo City, Nanning City, Shantou City and Yongzhou City respectively, all of which add up to a total of approximately 347,986 sq.m. of land acquired by the Group. The Group will continue to focus on other land acquisitions and where appropriate opportunities arise further increase the quality and quantity of the land bank to enhance sustainable growth with the aim of developing the PRC's property development as one of the major businesses of the Group. However, the property market in the PRC is affected by a number of factors, such as changes in social, political, economic and legal environment as well as the PRC government's undertakings of fiscal, economic, monetary, industrial and environmental policies. Changes in macro-economic conditions, consumer confidence, consumption spending, and consumption preferences may also affect the Group's property development business. As such, the management will take precautionary measures in order to mitigate the associated risks in the property development business. The Group will continue to strengthen the property development business and will also expand its development business in potential cities in order to maximize shareholders' value.

* For identification purpose only. The English names are only translations of the official Chinese names, and in case of any inconsistency, the Chinese names shall prevail.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTEREST

(a) Interests of Directors

As at the Latest Practicable Date, the interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the “**Model Code**”) to be notified to the Company and the Stock Exchange, were as follows:

Name of Director	Nature of interest	Number of Shares held in the Company				Approximate percentage of total issued share capital
		Corporate interest	Note	Other interests	Note	
Mr. Tan	Long position	3,616,712,779	(ii)	439,180,000	(iii)	73.85%

Notes:

- (i) As at the Latest Practicable Date, the total number of issued Shares of the Company was 5,492,232,889.
- (ii) The 3,616,712,779 Shares in which Mr. Tan is deemed to hold interests under the SFO are the shares held by Wealth Warrior Global Limited (“**Wealth Warrior**”), which is wholly owned by Mr. Tan.

- (iii) The 439,180,000 Shares are owned by Merchant Link Holdings Limited and Rise Vision Global Limited, each of which holds 219,590,000 Shares and they are indirectly wholly owned by a discretionary trust. Mr. Tan is a director of both Merchant Link Holdings Limited and Rise Vision Global Limited and is the settlor and a beneficiary of the discretionary trust. In this respect, Mr. Tan is deemed to hold interests of these Shares under the SFO.

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

(b) Interests of substantial shareholders

As at the Latest Practicable Date, so far as known to the Directors or chief executive of the Company, the following persons (other than the Directors or chief executive of the Company) had interests or short positions in the Shares or underlying Shares of the Company under provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of substantial shareholder	Capacity	Number of Shares held/ interested	Approximate percentage of total issued share capital
Wealth Warrior	Beneficial owner	3,616,712,779 (L)	65.85%
Sino Bright Enterprises Co., Ltd. (“Sino Bright”)	Beneficial owner and person having a security interest in shares	1,023,463,423 (L) (Note 1)	18.63%
LEHD Pte., Ltd. (“LEHD”)	Trustee	1,428,769,939 (L) (Notes 1, 2)	26.01%
Airwave Capital Limited (“Airwave”)	Interest of controlled Corporation	405,306,516 (L) (Note 3)	7.38%

Name of substantial shareholder	Capacity	Number of Shares held/ interested	Approximate percentage of total issued share capital
Barrican Investments Corporation (“ Barrican ”)	Beneficial owner and interest of controlled corporation	405,306,516 (L) <i>(Notes 3, 4)</i>	7.38%
Splendid Brilliance (PTC) Limited (“ Splendid Brilliance ”)	Trustee	439,180,000 (L) <i>(Note 5)</i>	8.00%
He Guichai	Interest of controlled Corporation	439,180,000 (L) <i>(Note 5)</i>	8.00%

The letter “L” denotes a person’s “long position” (as defined under Part XV of the SFO) in such shares.

Notes:

1. Sino Bright owns 23,463,423 Shares representing approximately 0.42% of the total issued share capital of the Company. Sino Bright is deemed to be interested in 1,000,000,000 Shares pursuant to the legal charge under the share mortgage dated 26 September 2017 in favour of Sino Bright (as mortgagee) granted by Wealth Warrior (as mortgagor) as security for the deferred consideration under the sale and purchase agreement dated 22 September 2017 between Sino Bright (as vendor) and Wealth Warrior (as purchaser).
2. LEHD is deemed to have interests in 1,428,769,939 Shares as the trustee to the discretionary trust which owns the entire issued share capital of The Ho Family Trust Limited (“**The Ho Family Trust**”). The Ho Family Trust is deemed to be interested in the Shares held by Barrican, McVitie Capital Limited (“**McVitie**”) and Sino Bright, which are wholly owned subsidiaries of The Ho Family Trust and directly own 335,260,845 Shares, 70,045,671 Shares and 1,023,463,423 Shares, respectively.
3. Barrican is a wholly owned subsidiary of Airwave and owns 100% interests in McVitie. Accordingly, Airwave is deemed to be interested in the Shares held by Barrican and McVitie.
4. McVitie is a wholly owned subsidiary of Barrican. Accordingly, Barrican is deemed to be interested in the Shares held by McVitie.

5. Splendid Brilliance, being a party acting in concert with Wealth Warrior, is deemed to have interests in 439,180,000 Shares as the trustee to the discretionary trust which indirectly owns the entire issued share capital of Merchant Link Holdings Limited and Rise Vision Global Limited, each of which holds 219,590,000 Shares. Mr. Tan is a director of both Merchant Link Holdings Limited and Rise Vision Global Limited and is the settlor and a discretionary beneficiary of the discretionary trust. Ms. He Guichai is the sole director and sole shareholder of Splendid Brilliance.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor chief executive of the Company was aware of any other person (other than the Directors or chief executive of the Company) or corporation who had an interest or short position in the Shares or underlying Shares of the Company under provisions of Divisions 2 and 3 of Part XV of the SFO which were required to be recorded in the register kept by the Company pursuant to section 336 of the SFO.

3. DIRECTORS' COMPETING INTERESTS

As at the Latest Practicable Date, Mr. Tan had shareholding interests and/or held directorships in certain companies engaged in property development in the PRC (the “**Relevant Companies**”). Pursuant to Rule 8.10 of the Listing Rules, Mr. Tan was hence regarded as being interested in businesses which competed or were likely to compete, either directly or indirectly, with some of the businesses of the Group. Nevertheless, as at the Latest Practicable Date, the business activities of the Relevant Companies and the Group were conducted in different geographical areas in the PRC.

Mr. Tan is aware of his fiduciary duties in the Company and understands that he must, in the performance of his duties as Director, avoid actual and potential conflicts of interest and ensure that he acts in the best interests of the Company and the Shareholders as a whole. In addition, any significant business decisions of the Group are to be determined by the Board. Any Director who has a material interest in any matter being resolved shall abstain from voting on the relevant Board resolutions.

In view of the above, the Board considers that the interests of Mr. Tan in the Relevant Companies will neither prejudice his capacity as a Director nor compromise the interests of the Group and the Shareholders. The Board also opines that coupled with the diligence of independent non-executive Directors, the Group is capable of carrying on its businesses independently of, and at arm's length with, the Relevant Companies.

Save as disclosed above, to the best knowledge of the Directors, as at the Latest Practicable Date, none of the Directors and their respective close associates was interested in any business which competed, or was likely to compete, either directly or indirectly, with the businesses of the Group pursuant to Rule 8.10 of the Listing Rules.

4. DIRECTOR'S INTERESTS IN ASSETS OF THE GROUP

As at the Latest Practicable Date, the Group's certain offices and warehouses were leased from Mr. Tan's associates, all of which were fully exempt connected transactions or continuing connected transactions for the Company pursuant to Rule 14A.76(1)(c) of the Listing Rules, with particulars summarised below:–

- (i) the Company's office and principal place of business in Hong Kong, situated at Flat C01, 32/F, TML Tower, 3 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong, was leased to the Group by an associate of Mr. Tan pursuant to a tenancy agreement entered into between the parties for a rental period commencing on 20 August 2020 and up to 19 August 2021 at a monthly rent of HK\$4,800;
- (ii) the office and warehouse of Guangzhou Nimble Household Appliances Trading Ltd.* (廣州敏捷家電貿易有限公司), a wholly-owned subsidiary of the Company, were leased to the Group by an associate of Mr. Tan pursuant to two tenancy agreements entered into between the parties both for a rental period commencing on 20 March 2020 and up to 22 April 2022 at monthly rents of RMB6,660 and RMB13,000 respectively;
- (iii) the office of Guangzhou Junrong Real Estate Co., Ltd.* (廣州駿榮房地產有限公司, "GZ Junrong"), a wholly-owned subsidiary of the Company, was leased to the Group by an associate of Mr. Tan pursuant to a tenancy agreement entered into between the parties for a rental period commencing on 20 March 2020 and up to 22 April 2022 at a monthly rent of RMB10,140;
- (iv) the office of Guangzhou Jinheng Property Consulting Co., Ltd.* (廣州市錦恆地產顧問有限公司, "GZ Jinheng"), a wholly-owned subsidiary of the Company, was leased to the Group by an associate of Mr. Tan pursuant to a tenancy agreement entered into between the parties for a rental period commencing on 20 May 2019 and up to 19 May 2022 at a monthly rent of RMB6,780, as supplemented by a supplemental agreement entered into among GZ Jinheng, Nimble Information Technology (Guangzhou) Co., Ltd.* (敏捷信息科技(廣州)有限公司, "Nimble IT"), a wholly-owned subsidiary of the Company, and Mr. Tan's associate pursuant to which the office was then leased to GZ Jinheng and Nimble IT on a 50:50 basis with effect from 20 May 2020 and each of GZ Jinheng and Nimble IT shall share the monthly rent of RMB3,390;

- (v) the office of Nimble IT was leased to the Group by an associate of Mr. Tan pursuant to a tenancy agreement entered into between the parties for a rental period commencing on 20 May 2020 and up to 19 May 2022 at a monthly rent of RMB3,390 (the tenancy agreement was entered into by the parties subsequent to the supplemental agreement as mentioned in paragraph (iv) above); and
- (vi) the office of the Guangzhou Ruihua Property Development Company Limited* (廣州市瑞華物業發展有限公司, “GZ Ruihua”), a wholly-owned subsidiary of the Company, was leased to the Group by an associate of Mr. Tan pursuant to a tenancy agreement entered into between the parties for a rental period commencing on 1 July 2019 and up to 30 June 2022 at a monthly rent of RMB1,800.

Save as disclosed above, none of the Directors had any interest, either directly or indirectly, in any assets which have, since 31 March 2020 (being the date to which the latest published audited consolidated financial statements of the Group were made up) and up to the Latest Practicable Date, been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

5. DIRECTORS’ INTERESTS IN CONTRACT OR ARRANGEMENT OF SIGNIFICANCE

Mr. Tan is considered to be interested in, directly or indirectly, the following contracts or arrangements entered into with a member of the Group subsisting at the Latest Practicable Date and which is significant in relation to the business of the Group:

- (i) According to a loan agreement dated 1 August 2019, Guangzhou Minjie Real Estate Development Co., Ltd* (廣州市敏捷房地產開發有限公司, “GZ Minjie”), as the lender, agreed to provide a loan to Ningxiang Minjun, prior to it becoming an indirect 51% owned subsidiary of the Company, as the borrower, in the principal amount of up to RMB243.8 million for the business development of Ningxiang Minjun as well as for its general working capital purpose. Details of this loan agreement are disclosed in the circular of the Company dated 19 September 2019;
- (ii) According to a loan agreement dated 1 August 2019, Guangzhou Jinxiu Investment Company Limited* (廣州錦綉投資有限公司, “GZ Investment”), as the lender, agreed to provide a loan to Ningxiang Minjun, prior to it becoming a non-wholly owned indirect subsidiary of the Company, as the borrower, in the principal amount of up to RMB86.2 million for the business development of Ningxiang Minjun as well as for its general working capital purpose. Details of this loan agreement are disclosed in the circular of the Company dated 19 September 2019;

- (iii) According to a loan agreement dated 21 September 2020, GZ Minjie, as the lender, agreed to provide a loan to Gongyi Ruijing Real Estate Development Co., Ltd.* (鞏義市瑞景房地產開發有限公司, “**Gongyi Ruijing**”), an indirect wholly owned subsidiary of the Company, as the borrower, in the principal amount of up to RMB400.0 million for the business development of Gongyi Ruijing as well as for its general working capital purpose;
- (iv) According to a loan agreement dated 21 September 2020, GZ Minjie as the lender, agreed to provide a loan to GZ Junrong, as the borrower, in the principal amount of up to RMB400.0 million for the business development of GZ Junrong as well as for its general working capital purpose;
- (v) According to a loan agreement dated 2 November 2020, Guangzhou Yufeng Real Estate Development Co., Ltd.* (廣州育豐房地產開發有限公司, “**GZ Yufeng**”), as the lender, agreed to provide a loan to Gongyi Ruichen Real Estate Development Co., Ltd.* (鞏義市瑞辰房地產開發有限公司, “**Gongyi Ruichen**”), an indirect wholly owned subsidiary of the Company, as the borrower, in the principal amount of up to RMB290.0 million for the business development of Gongyi Ruichen as well as for its general working capital purpose;
- (vi) According to a loan agreement dated 2 November 2020, GZ Yufeng as the lender, agreed to provide a loan to GZ Junrong, as the borrower, in the principal amount of up to RMB290.0 million for the business development of GZ Junrong as well as for its general working capital purpose;
- (vii) According to a loan agreement dated 2 November 2020, GZ Yufeng as the lender, agreed to provide a loan to Yangjiang Jingchen Real Estate Development Co., Ltd.* (陽江市璟宸房地產開發有限公司, “**Yangjiang Jingchen**”), an indirect wholly owned subsidiary of the Company, as the borrower, in the principal amount of up to RMB300.0 million for the business development of Yangjiang Jingchen as well as for its general working capital purpose;
- (viii) According to a loan agreement dated 2 November 2020, GZ Yufeng as the lender, agreed to provide a loan to GZ Junrong, as the borrower, in the principal amount of up to RMB300.0 million for the business development of GZ Junrong as well as for its general working capital purpose;

- (ix) According to a loan agreement dated 2 November 2020, GZ Yufeng as the lender, agreed to provide a loan to Ningbo Ruizhi Real Estate Development Co., Ltd.* (寧波市瑞智房地產開發有限公司, “**Ningbo Ruizhi**”), an indirect wholly owned subsidiary of the Company, as the borrower, in the principal amount of up to RMB1,100.0 million for the business development of Ningbo Ruizhi as well as for its general working capital purpose;
- (x) According to a loan agreement dated 2 November 2020, GZ Yufeng as the lender, agreed to provide a loan to GZ Junrong, as the borrower, in the principal amount of up to RMB1,100.0 million for the business development of GZ Junrong as well as for its general working capital purpose;
- (xi) According to a loan agreement dated 21 December 2020, Zhongshan Wanquan Property Management Co., Limited* (中山市完全物業管理有限公司, “**ZS Wanquan Pty Mgt**”), as the lender, agreed to provide a loan to GZ Ruihua, as the borrower, in the principal amount of up to RMB561.0 million for the business development of GZ Ruihua, in particular for the property development of Nanning Ruihua Real Estate Development Co., Ltd.* (南寧市瑞華房地產開發有限公司), an indirect 51% owned subsidiary of the Company, as well as for its general working capital purpose;
- (xii) According to a loan agreement dated 21 December 2020, ZS Wanquan Pty Mgt as the lender, agreed to provide a loan to GZ Junrong, as the borrower, in the principal amount of up to RMB561.0 million for the business development of GZ Junrong as well as for its general working capital purpose;
- (xiii) According to a loan agreement dated 21 December 2020, GZ Yufeng as the lender, agreed to provide a loan to Shantou Ruijing Real Estate Development Co., Ltd.* (汕頭市瑞景房地產開發有限公司, “**Shantou Ruijing**”), an indirect wholly owned subsidiary of the Company, as the borrower, in the principal amount of up to RMB1,600.0 million for the business development of Shantou Ruijing as well as for its general working capital purpose;
- (xiv) According to a loan agreement dated 21 December 2020, GZ Yufeng as the lender, agreed to provide a loan to GZ Junrong, as the borrower, in the principal amounts of up to RMB1,600.0 million for the business development of GZ Junrong as well as for its general working capital purpose;

- (xv) According to a loan agreement dated 21 December 2020, ZS Wanquan Pty Mgt as the lender, agreed to provide a loan to Yongzhou Ruijing Real Estate Development Co., Ltd.* (永州市瑞璟房地產開發有限公司, “**Yongzhou Ruijing**”), an indirect wholly owned subsidiary of the Company, as the borrower, in the principal amount of up to RMB480.0 million for the business development of Yongzhou Ruijing as well as for its general working capital purpose; and
- (xvi) According to a loan agreement dated 21 December 2020, ZS Wanquan Pty Mgt as the lender, agreed to provide a loan to GZ Junrong, as the borrower, in the principal amount of up to RMB480.0 million for the business development of GZ Junrong as well as for its general working capital purpose,

(collectively, the “**Loan Agreements**”).

As at the Latest Practicable Date:

- (i) GZ Minjie was owned as to approximately 1.73% by Mr. Tan Huichuan, the son of Mr. Tan, and approximately 98.27% by GZ Investment, which was held as to 10% by Mr. Tan Huichuan and 90% by Guangdong Minjie Property (Holdings) Co., Ltd.* (廣東敏捷地產(集團)有限公司), which in turn was held as to 99% by Guangzhou Jinxiu Dadi Real Estate Development Co., Ltd.* (“**GZ Jinxiu DaiDi**”, 廣州錦繡大地房地產開發有限公司) and 1 % by Chit Hong Limited; and GZ Jiuxiu Dadi in turn was owned as to 90% by Mr. Tan Huichuan and 10% by Mr. Tan Haocheng, the elder brother of Mr. Tan;
- (ii) GZ Yufeng was a 79.94% owned subsidiary of GZ Minjie; and
- (iii) ZS Wanquan Pty Mgt was an 89.87% owned subsidiary of GZ Minjie.

Save for the Loan Agreements disclosed above, as at the Latest Practicable Date, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date and which is significant in relation to the business of the Group.

6. DIRECTORS’ SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

7. MATERIAL LITIGATION

The Shares were suspended from trading on the Stock Exchange on 30 May 2011. The Company completed the restructuring of the Group and fulfilled all resumption conditions imposed by the Stock Exchange and trading in the Shares resumed on 30 May 2016. The Former Provisional Liquidators (as defined below) were discharged and released on 26 May 2016 by the High Court. In connection with this, the following are the litigation or claims of material importance pending or threatened against members of the Group:

- (i) A winding up petition was petitioned against the Company in 2011 in the High Court action HCCW 177/2011. Pursuant to an order of the High Court, Mr. Fok Hei Yu and Mr. Roderick John Sutton, both of FTI Consulting (Hong Kong) Limited, were appointed as the provisional liquidators of the Company (the “**Former Provisional Liquidators**”) on 31 May 2011. The ongoing action is in respect of an application for the reopening of the taxation of liquidation costs;
- (ii) HCA 92/2014 is a legal case filed in January 2014 in the High Court by Sino Bright, and HCA 1152/2017 is a legal case filed in May 2017 in the High Court by the Company (which was later consolidated with HCA 92/2014), against Mr. Fok Hei Yu and FTI Consulting (Hong Kong) Limited for alleged misrepresentation and the case is ongoing.

Further details of the Company’s contingent liabilities in connection with the above are set out at pages III-2 and III-3 of this circular.

As at the Latest Practicable Date, the Company had received no such requests for the related fees, costs and expenses.

The Directors are of the view that save for estimated legal costs going forward in connection with the above legal cases, no provision is necessary for any of the matters described above, after having considered their respective merits. The Directors consider that the legal cases will have no material adverse impact to the Company’s business operation and financial position. The Directors are of the view that the chances of success for these cases are reasonably higher than an unfavourable outcome.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other litigation or claims of material importance which were pending or threatened against any member of the Group.

8. MATERIAL CONTRACTS

Save as disclosed below, the Group did not enter into any material contract (not being contracts entered into in the ordinary course of business) within two years immediately preceding and including the Latest Practicable Date:

- (a) the Ningxiang Minjun Capital Increase Agreement dated 1 August 2019 entered into among GZ Ruihua, Ningxiang Minjun and GZ Minjie in relation to the injection of RMB10,408,200 in cash by GZ Ruihua into the capital of Ningxiang Minjun (details of which please refer to the Company's announcement and circular dated 1 August 2019 and 19 September 2019 respectively); and
- (b) the Share Purchase Agreement.

9. QUALIFICATIONS OF EXPERTS AND CONSENTS

The following is the qualification of each of the experts who has given opinions or advice, which are contained in this circular:

Name	Qualification
Gram Capital Limited	A licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO
LCH (Asia-Pacific) Surveyors Limited	Professional Surveyors
Moore Stephens CPA Limited	Certified Public Accountants

Each of the experts named above has given and has not withdrawn its written consent to the issue of this circular with the inclusion therein of its letter and/or references to its name in the form and context in which it appears in this circular.

As at the Latest Practicable Date, each of the experts did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group.

As at the Latest Practicable Date, each of the experts did not have any interest, either directly or indirectly, in any assets which have been since 31 March 2020 (being the date to which the latest published audited consolidated financial statements of the Company were made up) acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

10. MISCELLANEOUS

- (a) The registered office of the Company is situated at Wessex House, 5th Floor, 45 Reid Street Hamilton HM 12, Bermuda.
- (b) The secretary of the Company is Mr. Hui Yick Lok, Francis, who is an associate member of the Hong Kong Institute of Certified Public Accountants.
- (c) The Company's principal place of business in Hong Kong is situated at Flat C01, 32/F, TML Tower, 3 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong.
- (d) The Company's share registrar and transfer office in Hong Kong is Tricor Tengis Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (e) The English texts of this circular shall prevail over the respective Chinese texts in case of any inconsistency.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during the normal business hours from 9:00 a.m. to 6:00 p.m. on any weekday (except public holidays) at the principal place of business of the Company in Hong Kong up to and including the date which is 14 days from the date of this circular:

- (a) the memorandum of continuance and bye-laws of the Company;
- (b) the annual reports of the Company for the three financial years ended 31 March 2018, 2019 and 2020;
- (c) the interim report of the Company for the six months ended 30 September 2020;
- (d) the Valuation Report, the text of which is set out in Appendix I to this circular;
- (e) the letters on the Valuation from the Accountants and the Company, the texts of which are set out in Appendix II to this circular;

- (f) the letter from the Board, the text of which is set out on pages 5 to 17 of this circular;
- (g) the letter from the Independent Board Committee to the Independent Shareholders, the text of which is set out on pages 18 to 19 of this circular;
- (h) the letter from Gram Capital, the text of which is set out on pages 20 to 33 of this circular;
- (i) the written consent of the experts referred to in the paragraph headed “9. Qualifications of Experts and Consents” of this appendix;
- (j) the Ningxiang Minjun Capital Increase Agreement, being one of the material contracts referred to in the section headed “8. Material contracts” of this appendix;
- (k) the Share Purchase Agreement;
- (l) the Company’s circular dated 22 July 2020 regarding the re-election of directors and general mandates to issue and repurchase shares;
- (m) the Company’s circular dated 18 November 2020 regarding acquisition of the land use rights of a parcel of land in Gongyi, the PRC, a parcel of land in Yangjiang, PRC and a parcel of land in Ningbo, PRC;
- (n) the Company’s circular dated 25 January 2021 regarding acquisition of the land use rights of a parcel of land in Nanning, PRC, a parcel of land in Shantou and a parcel of land in Yongzhou, PRC; and
- (o) this circular.

* *For identification purpose only. The English names are only translations of the official Chinese names, and in case of any inconsistency, the Chinese names shall prevail.*

NOTICE OF SPECIAL GENERAL MEETING



NIMBLE HOLDINGS COMPANY LIMITED 敏捷控股有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 186)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT a special general meeting (the “**SGM**”) of Nimble Holdings Company Limited (the “**Company**”) will be held at Flat C, 32/F, TML Tower, 3 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong on Wednesday, 9 June 2021 at 4:00 p.m. to consider and, if thought fit, approve, with or without modifications, the following resolution as an ordinary resolution:

ORDINARY RESOLUTION

“**THAT:**

- (a) the sale and purchase agreement dated 7 April 2021 (the “**Share Purchase Agreement**”) entered into between Grande N.A.K.S Ltd., Sino Capital Resources Limited, Unijoy Limited and the Company, a copy of which is marked “A” and initialed by the chairman of the meeting for the purpose of identification, and the terms and conditions thereof, transactions contemplated thereunder and other agreements ancillary to the disposal of the entire issued share capital of Unijoy Limited (the “**Disposal**”), be and are hereby approved, confirmed and ratified; and
- (b) the authorisation to any one of the directors of the Company (the “**Directors**”), or any other person authorised by the board of Directors (the “**Board**”) from time to time, for and on behalf of the Company, among other matters, to sign, seal, execute, perfect, perform and deliver all such agreements, instruments, documents and deeds, and to do all such acts, matters and things and take all such steps as he or they may in his or their absolute discretion consider to be necessary, expedient, desirable or appropriate to give effect to and implement the Share Purchase Agreement and the transactions contemplated thereunder and all matters incidental to, ancillary to or in connection thereto, including agreeing and making any modifications, amendments, waivers, variations or extensions of the Share Purchase Agreement or the transactions contemplated thereunder be and are hereby approved, confirmed and ratified.”

NOTICE OF SPECIAL GENERAL MEETING

IMPORTANT NOTICE

COVID-19 PANDEMIC

As at the date of this notice, the COVID-19 pandemic situation in Hong Kong is still evolving and the situation at the time of SGM is difficult to predict.

In the event that the COVID-19 pandemic situation deteriorates and requires the date and venue of the SGM to be changed, Shareholders will be notified of the revised arrangement and further announcement will be made by the Company on its website (www.nimbleholding.com) and the website of the Stock Exchange (www.hkexnews.hk). Shareholders are advised to read the Company's announcement(s) in relation to the latest arrangement of the SGM (if any) published on the websites of the Company and the Stock Exchange before attending the SGM.

Shareholders are advised to read the information in the circular of the Company dated 21 May 2021 for "Precautionary Measures for Special General Meeting".

By order of the Board
Nimble Holdings Company Limited
Tan Bingzhao
Chairman

Hong Kong, 21 May 2021

Notes:

1. Any member of the Company entitled to attend and vote at the above meeting is entitled to appoint one or, if he/she is the holder of two or more shares, more proxies to attend and vote instead of him/her. A proxy need not be a member of the Company.
2. In order to be valid, a proxy form together with a power of attorney or other authority (if any) under which it is signed, or a certified copy thereof, must be deposited at the Company's Hong Kong share registrar and transfer office, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the above meeting or any adjournment thereof (as the case may be). Completion and return of a proxy form will not preclude a member of the Company from attending and voting in person at the above meeting if he/she is subsequently able to be present and, in such event, the proxy form shall be deemed to be revoked.
3. A proxy form must be signed by you or your attorney duly authorised in writing or, in the case of a corporation, must be either executed under seal or under the hand of an officer or attorney duly authorised to sign the same.

NOTICE OF SPECIAL GENERAL MEETING

4. In the case of joint holders of any share, any one of such joint holders may vote at the above meeting, either personally or by proxy, in respect of such share as if he/she were solely entitled thereto. However, if more than one of such joint holders is present at the above meeting, either personally or by proxy, the joint holder whose name stands first in the register of members of the Company, will alone be entitled to vote in respect of any such share.
5. On a poll, every member present at the meeting shall be entitled to one vote for every fully paid-up share of which he/she is the holder. The result of such poll shall be deemed to be the resolution of the meeting at which the poll was so required or demanded.
6. For determining the entitlement to attend and vote at the above meeting, the register of members of the Company will be closed from Friday, 4 June 2021 to Wednesday, 9 June 2021, both days inclusive, in order to determine the identity of the members of the Company who are entitled to attend and vote at the above meeting. All transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Hong Kong share registrar and transfer office, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong before 4:30 p.m. on Thursday, 3 June 2021.
7. References to time and dates in this notice are to Hong Kong time and dates.
8. The Chinese translation of this notice is for reference only, and in case of any inconsistency, the English version shall prevail.

As at the date of this notice, the Board comprises two executive Directors, namely, Mr. Tan Bingzhao and Mr. Deng Xiangping; and three independent non-executive Directors, namely, Dr. Lin Jinying, Dr. Lu Zhenghua and Dr. Ye Hengqing.