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Great Success Enterprises Holdings Limited
(incorporated in the British Virgin Islands with limited liability)

The logo for Bestway, featuring the word "Bestway" in a stylized, blue, rounded font with a white outline and a blue shadow effect.

Bestway Global Holding Inc.
榮威國際控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 3358)

JOINT ANNOUNCEMENT

- (1) PROPOSAL FOR THE PRIVATISATION OF
BESTWAY GLOBAL HOLDING INC.
BY THE OFFEROR
BY WAY OF A SCHEME OF ARRANGEMENT
UNDER SECTION 86 OF THE COMPANIES ACT**
- (2) PROPOSED WITHDRAWAL OF LISTING**
- (3) SPECIAL DEAL RELATING TO ROLLOVER ARRANGEMENT
AND**
- (4) RESUMPTION OF TRADING IN SHARES**

Financial Adviser to the Offeror



Independent Financial Adviser to the Independent Board Committee of the Company

ALTUS CAPITAL LIMITED
浩德融資有限公司

INTRODUCTION

The respective directors of the Offeror and the Company jointly announce that on 25 June 2021, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the privatisation of the Company by way of a scheme of arrangement under Section 86 of the Companies Act.

Upon completion of the Proposal, the Offeror and the Offeror Concert Parties will, in aggregate, hold the entire issued share capital of the Company (among which the Rollover Shareholders will hold in aggregate approximately 22.78% of the issued share capital of the Company) and the listing of the Shares will be withdrawn from the Stock Exchange.

TERMS OF THE PROPOSAL

The Proposal will be implemented by way of the Scheme. The Scheme will provide that, if the Scheme becomes effective, the Scheme Shares will be cancelled and extinguished in exchange for the payment to each Scheme Shareholder of the Cancellation Price of HK\$4.38 in cash for each Scheme Share cancelled and extinguished.

The Cancellation Price represents:

- a premium of approximately 27.0% over the closing price of HK\$3.45 per Share as quoted on the Stock Exchange on the Last Trading Day;
- a premium of approximately 32.7% over the average closing price of approximately HK\$3.30 per Share based on the daily closing prices as quoted on the Stock Exchange for the 10 trading days up to and including the Last Trading Day;
- a premium of approximately 47.0% over the average closing price of approximately HK\$2.98 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day;
- a premium of approximately 62.8% over the average closing price of approximately HK\$2.69 per Share based on the daily closing prices as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Day;
- a premium of approximately 71.8% over the average closing price of approximately HK\$2.55 per Share based on the daily closing prices as quoted on the Stock Exchange for the 90 trading days up to and including the Last Trading Day;
- a premium of approximately 84.0% over the average closing price of approximately HK\$2.38 per Share based on the daily closing prices as quoted on the Stock Exchange for the 120 trading days up to and including the Last Trading Day;

- a premium of approximately 101.8% over the average closing price of approximately HK\$2.17 per Share based on the daily closing prices as quoted on the Stock Exchange for the 180 trading days up to and including the Last Trading Day; and
- a premium of approximately 16.5% over the audited net asset value per Share in the Company of approximately US\$0.48 (equivalent to approximately HK\$3.76, based on an exchange rate of US\$1 = HK\$7.7655, being the spot rate quoted at 5:00 p.m. Hong Kong time on the Last Trading Day on Bloomberg) as at 31 December 2020, based on the audited consolidated net asset value of the Group of US\$511,841,594 as at 31 December 2020.

The Cancellation Price will not be increased, and the Offeror do not reserve the right to do so. Shareholders and potential investors of the Company should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Cancellation Price.

If, after the Announcement Date, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Shares (other than the 2020 Final Dividend), the Offeror reserves the right to reduce the Cancellation Price by all or any part of the amount or value of such dividend, distribution and/or, as the case may be, return of capital after consultation with the Executive, in which case any reference in this Announcement, the Scheme Document or any other announcement or document to the Cancellation Price will be deemed to be a reference to the Cancellation Price as so reduced. Save for the payment of the 2020 Final Dividend, the Company has confirmed that it does not intend to announce, declare or pay any dividend, distribution or other return of capital during the offer period in relation to the Proposal. As at the Announcement Date, there is no outstanding dividend in respect the Shares that have been announced but not yet paid save for the 2020 Final Dividend. The 2020 Final Dividend is expected to be paid on or around 7 July 2021.

The Proposal and the Scheme will be conditional upon the fulfilment or waiver (as applicable) of all the Conditions as described in the section headed “2. Terms of the Proposal – Conditions of the Proposal and the Scheme”. All of the Conditions must be fulfilled or waived, as applicable, on or before the Long Stop Date, failing which the Proposal and the Scheme will lapse.

If the Proposal is approved and implemented, under the Scheme, the issued share capital of the Company will, on the Effective Date, be reduced by cancelling and extinguishing the Scheme Shares. Upon such reduction, the issued share capital of the Company will be simultaneously increased to its former amount by the issuance at par to the Offeror, credited as fully paid, of the aggregate number of Shares as is equal to the number of Scheme Shares cancelled and extinguished. The reserve created in the Company’s books of account as a result of the capital reduction will be applied in paying up in full at par the new Shares so issued, credited as fully paid, to the Offeror.

SHAREHOLDING STRUCTURE OF THE COMPANY AND SCHEME SHARES

As at the Announcement Date:

- (i) the authorised share capital of the Company is HK\$100,000,000 divided into 10,000,000,000 Shares, and the Company has 1,058,391,000 Shares in issue;
- (ii) save as disclosed in paragraph (i) above, the Company has no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code);
- (iii) the Scheme Shares comprise 234,889,500 Shares, representing approximately 22.19% of the issued share capital of the Company;
- (iv) the Offeror holds 574,706,132 Shares (representing approximately 54.30% of the issued share capital of the Company), and Mr. Zhu, the Chairman, the Chief Executive Officer and an executive Director of the Company and an Offeror Concert Party who controls the Offeror, holds 7,648,500 Shares (representing approximately 0.72% of the issued share capital of the Company). Such Shares will not form part of the Scheme Shares and the Offeror and Mr. Zhu will not vote on the Scheme at the Court Meeting or the Rollover Arrangement at the EGM;
- (v) the Rollover Shareholders, namely Outland Enterprise, MSNKS, MSNKS II, Mr. Nowak and Mr. Fumagalli hold in aggregate 241,146,868 Shares (representing approximately 22.78% of the issued share capital of the Company). Such Shares will not form part of the Scheme Shares pursuant to the Rollover Arrangement, and the Rollover Shareholders as Offeror Concert Parties will not vote on the Scheme at the Court Meeting or the Rollover Arrangement at the EGM; and
- (vi) save for the 823,501,500 Shares (representing approximately 77.81% of the issued share capital of the Company) held by the Offeror and Offeror Concert parties as disclosed above, the Offeror and Offeror Concert Parties do not legally and beneficially own, control or have direction over any Shares.

SPECIAL DEAL RELATING TO ROLLOVER ARRANGEMENT

The Offeror proposes that the Rollover Shareholders retain their respective shareholdings in the Company and remain as Shareholders after the Scheme becomes effective. The Rollover Shareholders comprise (i) Outland Enterprise, a shareholding platform for certain employees of the Group under the Company's employee pre-IPO incentive scheme; (ii) Mr. Nowak, a long term financial investor of the Group, together with his wholly-owned companies, MSNKS and MSNKS II; and (iii) Mr. Fumagalli, the Chief Strategic Officer of the Group.

The Offeror is of the view that the Company can benefit from the commitment of the Rollover Shareholders and it is important for the Company to retain the Rollover Shareholders as Shareholders after completion of the Scheme to incentivise the Rollover Shareholders to continue to contribute to the future development and growth of the Group.

As the Rollover Agreement was only entered into by and between the Offeror and the Rollover Shareholders and the Rollover Arrangement thereunder is not offered to all Scheme Shareholders, the Rollover Arrangement constitutes a special deal and requires the consent of the Executive under Rule 25 of the Takeovers Code. The Offeror will make an application for consent from the Executive to the Rollover Arrangement conditional on, among others, the passing of an ordinary resolution by the Disinterested Shareholders at the EGM to approve the Rollover Arrangement.

The Rollover Shareholders are presumed to be acting in concert with the Offeror for the purpose of the Takeovers Code as a result of the Rollover Arrangement.

FINANCIAL RESOURCES

On the assumption that no further Shares are issued or repurchased before the Scheme Record Date, the total amount of cash required to implement the Proposal in full would be approximately HK\$1,028,816,010.

The Offeror intends to finance the total amount of cash required to implement the Proposal in full from internal cash resources and/or external debt financing (including a loan facility granted by CMB International Finance Limited which will be secured by, among others, (i) share pledges in respect of all of the Shares held by the Offeror and Mr. Zhu and (ii) after the Scheme becoming effective, guarantees and debentures to be granted by the Company and its material subsidiaries).

CMBI, the financial adviser to the Offeror, is satisfied that sufficient financial resources are, and will continue to be, available to the Offeror for discharging its obligations in respect of the full implementation of the Proposal in accordance with its terms.

INDEPENDENT BOARD COMMITTEE

An Independent Board Committee, which comprises all independent non-executive Directors, namely Mr. Dai Guoqiang, Mr. Zhang Zhu and Mr. Lam Yiu Kin, has been established by the Board to make a recommendation to the Disinterested Shareholders as to: (i) whether the terms of the Proposal and the Scheme are, or are not, fair and reasonable so far as the Disinterested Shareholders are concerned and whether the Disinterested Shareholders should vote in favour of the resolution(s) to approve the Scheme at the Court Meeting and the EGM; and (ii) whether terms of the Rollover Arrangement are, or are not, fair and reasonable so far as the Disinterested Shareholders are concerned and whether the Disinterested Shareholders should vote in favour of the resolution(s) to approve the Rollover Arrangement at the EGM.

FINANCIAL ADVISER TO THE OFFEROR AND THE INDEPENDENT FINANCIAL ADVISER

The Offeror has appointed CMBI as its financial adviser in connection with the Proposal.

Altus Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee as to (i) whether the terms of the Proposal and the Scheme are, or are not, fair and reasonable so far as the Disinterested Shareholders are concerned and whether the Disinterested Shareholders should vote in favour of the resolution(s) to approve the Scheme at the Court Meeting and the EGM; and (ii) whether terms of the Rollover Arrangement are, or are not, fair and reasonable so far as the Disinterested Shareholders are concerned and whether the Disinterested Shareholders should vote in favour of the resolution(s) to approve the Rollover Arrangement at the EGM. The appointment of Altus Capital Limited as the Independent Financial Adviser has been approved by the Independent Board Committee.

DESPATCH OF SCHEME DOCUMENT

The Scheme Document containing, among others, further details of the Proposal, the Scheme, the Rollover Arrangement, the expected timetable, an explanatory statement as required under the rules of the Grand Court, information regarding the Company, recommendations from the Independent Board Committee with respect to the Proposal, the Scheme and the Rollover Arrangement, the letter of advice from the Independent Financial Adviser, a notice of the Court Meeting, a notice of the EGM and other particulars required by the Takeovers Code, together with forms of proxy in relation thereto, will be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code, the Grand Court and other applicable laws and regulations.

WITHDRAWAL OF LISTING OF SHARES

Upon the Scheme becoming effective, the Company will make an application for listing of the Shares to be withdrawn from the Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules, with effect immediately following the Effective Date.

IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES

The listing of the Shares on the Stock Exchange will not be withdrawn if the Scheme does not become effective on or before the Long Stop Date or the Proposal otherwise lapses.

If the Scheme is not approved or the Proposal otherwise lapses, there are restrictions under Rule 31.1(a) of the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with it in the course of the Proposal (nor any person who is

subsequently acting in concert with it) may within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses announce an offer or possible offer for the Company, except with the consent of the Executive.

RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 23 June 2021 pending issuance of this Announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in Shares on the Stock Exchange with effect from 9:00 a.m. on 28 June 2021.

WARNING

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

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

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

NOTICE TO US INVESTORS

This Announcement does not constitute an offer to sell or an invitation to purchase or subscribe for any securities or a solicitation of any vote or approval in the United States. This Announcement does not constitute a prospectus or a prospectus equivalent document. US holders of Scheme Shares are advised to read carefully the formal documentation in relation to the Proposal once it has been despatched.

In particular, this Announcement is not an offer of securities for sale nor a solicitation of an offer to buy securities in the United States. The Shares which will be issued in connection with the Proposal have not been, and will not be, registered under the Securities Act or under the securities law of any state, district or other jurisdiction of the United States, or any other jurisdiction, and no regulatory approval or clearance in respect of the Shares has been, or will be, applied for in any jurisdiction other than Hong Kong. The Shares may not be offered or sold in the United States absent registration under the Securities Act or an exemption from registration. It is expected that the Shares will be issued in reliance upon the exemption from the registration requirements of the Securities Act provided by Section 3(a)(10) thereof. Neither the Company nor the Offeror intends to make any public offering of securities in the United States.

The Proposal relates to the shares of the Company, which are incorporated in the Cayman Islands with limited liability. The Proposal will be effected under a scheme of arrangement provided for under the Companies Act. Accordingly, the Proposal is subject to the disclosure requirements and practices applicable to Cayman schemes of arrangement, which differ from the disclosure and other requirements of the U.S. securities laws. Financial information included in the relevant documentation will have been prepared in accordance with accounting standards applicable in Hong Kong that may not be comparable to the financial statements of US companies.

Shareholders and beneficial owners of the Shares should consult their professional advisers if they are in any doubt as to the potential applicability of, or consequence under, any provision of law or regulation or judicial or regulatory decisions or interpretations in any jurisdictions, territory or locality therein or thereof and, in particular, whether there will be any restriction or prohibition on the acquisition, retention, disposal or otherwise with respect to the Shares. It is emphasised that none of the Company, the Offeror, any of their respective directors or officers, employees, agents, affiliates or advisers and any other person involved in the Scheme accept any responsibility in relation to the above.

1. INTRODUCTION

On 25 June 2021, the Offeror requested the Board to put forward a proposal to the Scheme Shareholders for the privatisation of the Company by way of a scheme of arrangement under Section 86 of the Companies Act involving, among others, the cancellation and extinguishment of the Scheme Shares and, in consideration thereof, the payment to the Scheme Shareholders of the Cancellation Price in cash for each Scheme Share cancelled and extinguished, and the withdrawal of the listing of the Shares on the Stock Exchange.

If the Proposal is approved and implemented, under the Scheme, the issued share capital of the Company will, on the Effective Date, be reduced by cancelling and extinguishing the Scheme Shares. Upon such reduction, the issued share capital of the Company will be simultaneously increased to its former amount by the issuance at par to the Offeror, credited as fully paid, of the aggregate number of Shares as is equal to the number of Scheme Shares cancelled and

extinguished. The reserve created in the Company's books of account as a result of the capital reduction will be applied in paying up in full at par the new Shares so issued, credited as fully paid, to the Offeror.

2. TERMS OF THE PROPOSAL

Cancellation Price

The Proposal will be implemented by way of the Scheme. The Scheme will provide that, if it becomes effective, the Scheme Shares will be cancelled and extinguished in exchange for the payment to each Scheme Shareholder of the Cancellation Price of HK\$4.38 in cash for each Scheme Share cancelled and extinguished.

The Cancellation Price will not be increased, and the Offeror does not reserve the right to do so. Shareholders and potential investors of the Company should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Cancellation Price.

If, after the Announcement Date, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Shares (other than the 2020 Final Dividend), the Offeror reserves the right to reduce the Cancellation Price by all or any part of the amount or value of such dividend, distribution and/or, as the case may be, return of capital after consultation with the Executive, in which case any reference in this Announcement, the Scheme Document or any other announcement or document to the Cancellation Price will be deemed to be a reference to the Cancellation Price as so reduced. Save for the payment of the 2020 Final Dividend, the Company has confirmed that it does not intend to announce, declare or pay any dividend, distribution or other return of capital during the offer period in relation to the Proposal. As at the Announcement Date, there is no outstanding dividend in respect the Shares that have been announced but not yet paid save for the 2020 Final Dividend. The 2020 Final Dividend is expected to be paid on or around 7 July 2021.

Comparison of value

The Cancellation Price represents:

- a premium of approximately 27.0% over the closing price of HK\$3.45 per Share as quoted on the Stock Exchange on the Last Trading Day;
- a premium of approximately 32.7% over the average closing price of approximately HK\$3.30 per Share based on the daily closing prices as quoted on the Stock Exchange for the 10 trading days up to and including the Last Trading Day;

- a premium of approximately 47.0% over the average closing price of approximately HK\$2.98 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day;
- a premium of approximately 62.8% over the average closing price of approximately HK\$2.69 per Share based on the daily closing prices as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Day;
- a premium of approximately 71.8% over the average closing price of approximately HK\$2.55 per Share based on the daily closing prices as quoted on the Stock Exchange for the 90 trading days up to and including the Last Trading Day;
- a premium of approximately 84.0% over the average closing price of approximately HK\$2.38 per Share based on the daily closing prices as quoted on the Stock Exchange for the 120 trading days up to and including the Last Trading Day;
- a premium of approximately 101.8% over the average closing price of approximately HK\$2.17 per Share based on the daily closing prices as quoted on the Stock Exchange for the 180 trading days up to and including the Last Trading Day; and
- a premium of approximately 16.5% over the audited net asset value per Share in the Company of approximately US\$0.48 (equivalent to approximately HK\$3.76, based on an exchange rate of US\$1 = HK\$7.7655, being the spot rate quoted at 5:00 p.m. Hong Kong time on the Last Trading Day on Bloomberg) as at 31 December 2020, based on the audited consolidated net asset value of the Group of US\$511,841,594 as at 31 December 2020.

The Cancellation Price has been determined on a commercial basis after taking into account, among others, the prices of the Shares traded on the Stock Exchange, the trading multiples of comparable companies listed on the Stock Exchange and with reference to other privatisation transactions in Hong Kong in recent years.

Conditions of the Proposal and the Scheme

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

- (1) the approval of the Scheme (by way of poll) by a majority in number of the Scheme Shareholders representing not less than 75% in value of the Scheme Shares held by the Scheme Shareholders present and voting either in person or by proxy at the Court Meeting, provided that:
 - (a) the Scheme is approved (by way of poll) by the Disinterested Shareholders holding at least 75% of the votes attaching to the Disinterested Shares held by Disinterested Shareholders that are voted either in person or by proxy at the Court Meeting; and
 - (b) the number of votes cast (by way of poll) by Disinterested Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all the Disinterested Shares;
- (2) the passing of:
 - (a) a special resolution by a majority of not less than three-fourths of the votes cast by the Shareholders present and voting in person or by proxy at the EGM to approve and give effect to the reduction of the issued share capital of the Company by cancelling and extinguishing the Scheme Shares; and
 - (b) an ordinary resolution by the Shareholders at the EGM to simultaneously restore the number of issued Shares in the share capital of the Company to the number prior to the cancellation and extinguishment of the Scheme Shares and apply the reserve created as a result of the aforesaid reduction of the issued share capital of the Company to pay up in full at par such number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished as a result of the Scheme for allotment and issue to the Offeror;
- (3) the sanction of the Scheme (with or without modifications) by the Grand Court and, to the extent necessary, its confirmation of the reduction of the issued share capital of the Company involved in the Scheme, and the delivery to the Registrar of Companies in the Cayman Islands of a copy of the order of the Grand Court for registration;
- (4) compliance, to the extent necessary, with the procedural requirements and conditions, if any, under Sections 15 and 16 of the Companies Act in relation to the reduction of the issued share capital of the Company involved in the Scheme;

- (5) all Approvals which are (i) required in connection with the Proposal or its implementation by Applicable Laws or any licenses, permits or contractual obligations of the Company; and (ii) material in the context of the Group (taken as a whole), having been obtained (or, as the case may be, completed) and remaining in full force and effect without modification up to and as at the Effective Date;
- (6) no Authority in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry (or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order) that would make the Proposal or the Scheme or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to the Proposal or the Scheme or its implementation in accordance with its terms), other than such actions, proceedings, suits, investigation or enquiry as would not have a material adverse effect on the legal ability of the Offeror to proceed with the Proposal or the Scheme;
- (7) all Applicable Laws having been complied with and no legal or regulatory requirement having been imposed by any Authority which is not expressly provided for, or is in addition to the requirements expressly provided for, in the Applicable Laws in connection with the Proposal which are material in the context of the Group (taken as a whole), in each case up to and as at the Effective Date;
- (8) since the Announcement Date, there having been no adverse change in the business, assets, financial or trading positions, profits or prospects of any member of the Group (to an extent which is material in the context of the Group taken as a whole or in the context of the Proposal);
- (9) since the Announcement Date, there having not been any instituted or remaining outstanding litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Group is a party (whether as plaintiff, defendant or otherwise) and no such proceedings will be threatened in writing against any such member (and no investigation by any government or quasi-governmental, supranational, regulatory or investigative body or court against or in respect of any such member or the business carried on by any such member will be threatened in writing, announced, instituted or remain outstanding by, against or in respect of any such member), in each case which is material and adverse in the context of the Group taken as a whole or in the context of the Proposal; and
- (10) (i) the receipt of an opinion from the Independent Financial Adviser to the Independent Board Committee confirming that the Rollover Arrangement is fair and reasonable so far as the Disinterested Shareholders are concerned, (ii) the passing of an ordinary resolution by the Disinterested Shareholders at the EGM to approve the Rollover Agreement, and (iii) the grant of consent under Rule 25 of the Takeovers Code from the Executive in respect of the Rollover Arrangement.

The Offeror reserves the right to waive conditions (5) to (9) either in whole or in part, either generally or in respect of any particular matter to the extent that such waiver would not make the Proposal or its implementation in accordance with its terms illegal. Conditions (1), (2), (3), (4) and (10) cannot be waived in any event. Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Scheme if the circumstances which give rise to a right to invoke any such Condition are of material significance to the Offeror in the context of the Proposal.

As at Announcement Date, other than pursuant to the Conditions in paragraphs (1) to (4) and (10) (inclusive) above, the Offeror and the Company are not aware of any circumstances which may result in Condition (5) not being satisfied.

As at Announcement Date, the Offeror and the Company are not aware of any circumstances which may result in Condition (9) not being satisfied.

All of the Conditions will have to be fulfilled or waived, as applicable, on or before the Long Stop Date, failing which the Proposal and the Scheme will lapse. The Company has no right to waive any of the Conditions.

If approved, the Scheme will be binding on all of the Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the EGM.

Warnings:

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

3. ROLLOVER ARRANGEMENT

The Offeror proposes that the Rollover Shareholders, who are Offeror Concert Parties, retain their respective shareholdings in the Company and remain as Shareholders after the Scheme becomes effective. The Rollover Shareholders hold in aggregate 241,146,868 Shares (representing approximately 22.78% of the issued share capital of the Company) as at Announcement Date.

Information on the Rollover Shareholders

Outland Enterprise

As at the Announcement Date, Outland Enterprise is held by Mr. Zhu and certain employees of the Group. Outland Enterprise in turn holds 64,297,233 Shares (representing approximately 6.07% of the issued share capital of the Company) as at the Announcement Date.

Outland Enterprise is a shareholding platform for employees of the Group, and selected employees are granted shares in Outland Enterprise under the employee pre-IPO incentive scheme to reward their past contribution to the Group and to incentivise and motivate these employees by aligning their interests with the performance of the Group. Given such selected employees possess the relevant expertise and understanding of the Group's operation which would benefit the development of the Group, the Offeror consider that it is important for these employees to retain their interests in the Company through Outland Enterprise to ensure that the employees will have incentive to continue to contribute to the Group's future growth by aligning their interests with the Company's prospect even after completion of the Scheme.

Mr. Nowak

As at the Announcement Date, Mr. Nowak directly and indirectly through his wholly-owned companies, MSNKS and MSNKS II, respectively hold 12,000,000, 10,060,000 and 142,882,740 Shares (representing approximately 1.13%, 0.95% and 13.50% of the issued share capital of the Company).

Mr. Nowak has been a passive financial investor of our Group for over 20 years. Mr. Nowak's investment in the Group can be traced back to his minority shareholding in Shanghai Bestway Plastic Products Co., Ltd., which was established in 1994 and was the predecessor of the Group. In light of Mr. Nowak's long term investment in the Group, the Offeror wishes to retain Mr. Nowak and his wholly-owned companies incorporated in the State of Delaware of the United States of America, MSNKS and MSNKS II, as Shareholders after the completion of the Scheme to maintain the stability of the Group and ensure Mr. Nowak's continued support of the Group.

Mr. Fumagalli

As at the Announcement Date, Mr. Fumagalli holds 11,906,895 Shares (representing approximately 1.13% of the issued share capital of the Company).

Mr. Fumagalli is the Chief Strategic Officer of the Group who is responsible for the strategic management of global market development, product portfolio management, supervision of research and development design and operations, and implementation of overall marketing strategy. Mr. Fumagalli joined the Group in 1998 and has over 22 years of experience in management with the Group. Mr. Fumagalli is a key member of the senior management team of the Group who has extensive strategic and management expertise as well as an in-depth

understanding of the operation and global development of the Group. The Offeror is of the view that it is important to retain Mr. Fumagalli as a Shareholder after the completion of the Scheme to ensure that Mr. Fumagalli will be incentivised to continue to contribute to the development of the Group.

Rollover Agreement

The Offeror and the Rollover Shareholders have entered into the Rollover Agreement on 25 June 2021 in respect of, among other things, the Shares held by the Rollover Shareholders. Under the Rollover Agreement:

- (a) subject to the conditions as set out in the section “Conditions of the Rollover Agreement” below, the Shares held by the Rollover Shareholders (i) will not form part of the Scheme Shares under the Scheme and (ii) will not be cancelled and extinguished when the Scheme becomes effective, and accordingly, the Rollover Shareholders will remain as the holders of the Rollover Shares after the Scheme becomes effective;
- (b) each of the Rollover Shareholders has undertaken that (i) it/he will not, directly or indirectly, take any action which will preclude, prejudice, restrict or delay the successful outcome of the Scheme or the Proposal or the withdrawal of listing of Shares on the Stock Exchange or otherwise conflict with or diminish its/his obligations under the Rollover Agreement and (ii) subject to compliance with relevant laws and regulations, it/he will do all such acts and things and execute all such documents as may be reasonably required by the Offeror to give effect to the undertakings contained in the Rollover Agreement;
- (c) each of the Rollover Shareholders has undertaken that, to the extent permitted under the Takeovers Code, the Listing Rules and applicable laws and regulations, to exercise, or, as the case may be, to procure the exercise of the voting rights in respect of the Shares owned by it/him directly on resolutions in relation to the Scheme in accordance with the Offeror’s directions, and in the absence of any such directions, to vote in favour of all resolutions which are necessary to implement the Scheme proposed at a court meeting and/or a general meeting of the Company, and that it/him shall be bound by, and take all actions necessary to implement the Scheme;
- (d) before the Scheme becomes effective, lapses, the Rollover Shareholders shall not (i) directly or indirectly, sell, transfer, charge, encumber, grant any option over or otherwise dispose of any interest in any of the Shares held by it/him in the Company; (ii) accept, or give any undertaking (whether conditional or unconditional) to accept, exercise voting rights attached to the Shares held by it/him to approve or otherwise agree to any offer, scheme of arrangement, merger or other business combination made or proposed to be made in respect of such Shares or disposal of material assets of the Company and its subsidiaries by any person other than pursuant to the Scheme; and (iii) acquire, subscribe for or otherwise deal in the shares, convertible securities, options or other securities of the Company without prior consent of the Offeror; and

- (e) the Rollover Shareholders have consented to, among others, certain guarantee and debentures to be granted by the Company and its material subsidiaries after the Scheme becomes effective.

The Rollover Agreement will be terminated (i) when the Scheme lapses or is withdrawn, terminated or rescinded by the Offeror in accordance with the Takeovers Code or is finally dismissed, finally refused or finally rejected by the Grand Court of the Cayman Islands; or (ii) on a date as the parties thereto otherwise agree in writing (but without prejudice to any accrued liabilities arising prior to such termination).

Conditions of the Rollover Agreement

The implementation of the Rollover Arrangement is subject to the fulfilment of the following conditions:

- (i) the receipt of an opinion from the Independent Financial Adviser to the Independent Board Committee that the Rollover Arrangement is fair and reasonable so far as the Disinterested Shareholders are concerned;
- (ii) the passing of an ordinary resolution by the Disinterested Shareholders at the EGM to approve, among others, the Rollover Arrangement; and
- (iii) the Scheme becomes effective; and
- (iv) the grant of consent from the Executive in respect of the Rollover Arrangement.

Special Deal and Disinterested Shareholders' Approval

As the Rollover Agreement was only entered into by and between the Offeror and the Rollover Shareholders and the Rollover Arrangement thereunder is not offered to all Shareholders, the Rollover Arrangement constitutes a special deal and requires the consent of the Executive under Rule 25 of the Takeovers Code. The Offeror will make an application for consent from the Executive in relation to the Rollover Arrangement conditional on the (i) Independent Financial Adviser confirming that the Rollover Arrangement is fair and reasonable so far as the Disinterested Shareholders are concerned, and (ii) the passing of an ordinary resolution by the Disinterested Shareholders at the EGM to approve the Rollover Arrangement. Accordingly, as set out in Condition (10), the Rollover Arrangement is subject to (i) the receipt of an opinion from the Independent Financial Adviser confirming that the Rollover Arrangement is fair and reasonable so far as the Disinterested Shareholders are concerned, (ii) the passing of an ordinary resolution by the Disinterested Shareholders at the EGM to approve the Rollover Arrangement, and (iii) the grant of consent from the Executive in respect of the Rollover Arrangement.

4. SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Announcement Date:

- (a) the authorised share capital of the Company is HK\$100,000,000 divided into 10,000,000,000 Shares, and the Company has 1,058,391,000 Shares in issue;
- (b) save as disclosed in paragraph (a) above, the Company has no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code);
- (c) the Offeror holds 574,706,132 Shares (representing approximately 54.30% of the issued share capital of the Company) and Mr. Zhu, the Chairman, the Chief Executive Officer and an executive Director of the Company and an Offeror Concert Party who controls the Offeror, holds 7,648,500 Shares (representing approximately 0.72% of the issued share capital of the Company). Such Shares will not form part of the Scheme Shares and the Offeror and Mr. Zhu will not vote on the Scheme at the Court Meeting or the Rollover Arrangement at the EGM;
- (d) the Rollover Shareholders, namely Outland Enterprise, MSNKS, MSNKS II, Mr. Nowak and Mr. Fumagalli hold in aggregate 241,146,868 Shares (representing approximately 22.78% of the issued share capital of the Company). Such Shares will not form part of the Scheme Shares pursuant to the Rollover Arrangement, and the Rollover Shareholders as Offeror Concert Parties will not vote on the Scheme at the Court Meeting or the Rollover Arrangement at the EGM;
- (e) save for the 823,501,500 Shares (representing approximately 77.81% of the issued share capital of the Company) held by the Offeror and Offeror Concert parties as disclosed above, the Offeror and the Offeror Concert Parties do not legally and beneficially own, control or have direction over any Shares;
- (f) the Scheme Shares comprise 234,889,500 Shares, representing approximately 22.19% of the issued share capital of the Company;
- (g) there are no convertible securities, warrants or options in respect of the Shares held, controlled or directed by the Offeror or the Offeror Concert Parties;
- (h) none of the Offeror and the Offeror Concert Parties has entered into any outstanding derivative in respect of the securities in the Company; and
- (i) none of the Offeror and the Offeror Concert Parties has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

On the assumption that there is no other change in shareholding of the Company before completion of the Proposal, the table below sets out the shareholding structure of the Company as at the Announcement Date and immediately upon completion of the Proposal:

| Shareholders | As at the Announcement Date | | Immediately upon completion of the Proposal | |
|-----------------------------------------------------------------------------------|-----------------------------|------------|---------------------------------------------|------------|
| | Number of Shares | % (Note 5) | Number of Shares (Note 6) | % (Note 5) |
| The Offeror (Notes 1 and 2) | 574,706,132 | 54.30 | 809,595,632 | 76.49 |
| Offeror Concert Parties not subject to the Scheme (Note 1) | | | | |
| Mr. Zhu (Note 2) | 7,648,500 | 0.72 | 7,648,500 | 0.72 |
| Outland Enterprise (Note 3) | 64,297,233 | 6.07 | 64,297,233 | 6.07 |
| MSNKS (Note 4) | 10,060,000 | 0.95 | 10,060,000 | 0.95 |
| MSNKS II (Note 4) | 142,882,740 | 13.50 | 142,882,740 | 13.50 |
| Mr. Nowak (Note 4) | 12,000,000 | 1.13 | 12,000,000 | 1.13 |
| Mr. Fumagalli | 11,906,895 | 1.13 | 11,906,895 | 1.13 |
| Sub-total | 248,795,368 | 23.51 | 248,795,368 | 23.51 |
| Aggregate number of Shares held by the Offeror and Offeror Concert Parties | 823,501,500 | 77.81 | 1,058,391,000 | 100.00 |
| Disinterested Shareholders | 234,889,500 | 22.19 | – | – |
| Total number of Shares | 1,058,391,000 | 100.00 | 1,058,391,000 | 100.00 |
| Total number of Scheme Shares | 234,889,500 | 22.19 | – | – |

Notes:

- Shares in which the Offeror, Mr. Zhu and the Rollover Shareholders (which comprise Outland Enterprise, MSNKS, MSNKS II, Mr. Nowak and Mr. Fumagalli) are interested will not form part of the Scheme Shares and will not be cancelled and extinguished.
- The Offeror is a company wholly owned by Great Access Industry Inc., which in turn is owned as to 92.0% by Mr. Zhu and 8.0% by Mr. Zhu Jiachen, the son of Mr. Zhu. The Shares held by the Offeror and Mr. Zhu have been pledged in favour of CMB International Securities Limited in connection with the facility agreement for financing the total amount of cash consideration payable under the Proposal.
- Outland Enterprise is a company owned by Mr. Zhu and certain employees of the Group.
- MSNKS and MSNKS II are companies wholly owned by Mr. Nowak.
- All percentages in the above table are approximations.

6. Under the Scheme, the issued share capital of the Company will, on the Effective Date, be reduced by cancelling and extinguishing the Scheme Shares. On the assumption that there is no other change in shareholding of the Company before completion of the Proposal, forthwith upon such reduction, the issued share capital of the Company will be simultaneously increased to its former amount prior to the cancellation and extinguishment of the Scheme Shares by the issue at par to the Offeror, credited as fully paid, of the same number of Shares as the number of the Scheme Shares cancelled and extinguished. The reserve created in the Company's books of account as a result of the capital reduction will be applied in paying up in full at par the new Shares so issued to the Offeror.

Following the Effective Date and the withdrawal of listing of the Shares on the Stock Exchange, the Offeror, Mr. Zhu and Rollover Shareholders will hold in aggregate the entire issued share capital of the Company, on the assumption that there is no other change in shareholding in the Company before completion of the Proposal.

5. FINANCIAL RESOURCES

On the assumption that no further Shares are issued or repurchased before the Scheme Record Date, the total amount of cash required to implement the Proposal in full would be approximately HK\$1,028,816,010.

The Offeror intends to finance the total amount of cash consideration payable under the Proposal in full from internal cash resources and/or external debt financing (including a loan facility to be granted by CMB International Finance Limited which will be secured by, among others, (i) share pledges in respect of all of the Shares held by the Offeror and Mr. Zhu and (ii) after the Scheme becoming effective, guarantees and debentures to be granted by the Company and its material subsidiaries).

CMBI, the financial adviser to the Offeror, is satisfied that sufficient financial resources are, and will continue to be, available to the Offeror for discharging its obligations in respect of the full implementation of the Proposal in accordance with its terms.

6. REASONS FOR, AND BENEFITS OF, THE PROPOSAL

For the Scheme Shareholders

- The Offeror notes that the trading volume of the Shares has been at a relatively low level over an extended period of time. The average daily trading volume of the Shares for the trading days during the past 12 months up to and including the Last Trading Day was approximately 580,000 Shares per day, representing only approximately 0.05% of the issued Shares as at the Last Trading Day. The relatively low trading liquidity of the Shares of the Company could make it difficult for Scheme Shareholders to sell their shareholdings in large volume on the market without causing negative impact on the

share price of the Company. The Offeror is of the view that the Proposal provides a good opportunity for the Scheme Shareholders to realise their investment in the Shares without suffering any discount due to low trading liquidity.

- The Offeror also considers that the Proposal will provide Scheme Shareholders with an opportunity to realise their investment in the Company at an attractive premium over the prevailing price of the Shares. The Cancellation Price of HK\$4.38 per share represents a premium over the average closing prices for the respective periods as set out in the paragraph under “Comparison of value” above.

For the Offeror and the Company

- The Offeror is of the view that due to the relatively low liquidity in the trading of the Shares and the relative underperformance of the share price, the Company is unable to sufficiently utilise its current listing platform as a source of funding for its long term growth, and Company’s ability to raise funds in the equity capital markets for future development and growth is limited. As such, the Offeror believes that the administrative costs and management resources associated with maintaining the Company’s listing status are no longer justified.
- The Offeror also considers that the Proposal, if successful, will provide the Offeror with more flexibility in supporting the long-term business development of the Company, without being concerned about the fluctuation of its short-term share performance, regulatory restrictions and compliance obligations arising from its listing status, and would allow the Offeror to streamline the Company’s governance structure.

Offeror’s intention regarding the Company

- It is the intention of the Offeror that the Group will continue to carry on its current business, and the Offeror does not have specific plans to make any major changes to the business of the Group (including any redeployment of fixed assets of the Group) upon the successful delisting of the Company. The Offeror also does not intend to make any significant changes to the continued employment of the employees of the Group.

7. INFORMATION ON THE GROUP AND THE OFFEROR

The Group

The Company is a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange with the stock code 3358. The Group is principally engaged in the manufacturing and sales of high quality and innovative PVC sporting and leisure products in Europe, North America, Asia Pacific (including PRC) and other global markets. The Company is ultimately controlled by Mr. Zhu.

Financial Information of the Group

Set out below is a summary of the financial information of the Group extracted from the annual reports of the Company for the two years ended 31 December 2020 and 31 December 2019.

| | Year ended 31 December 2020 (audited) (US\$) | Year ended 31 December 2019 (audited) (US\$) |
|---------------------------------------|---------------------------------------------------------------------|---------------------------------------------------------------------|
| Revenue from contracts with customers | 991,821,455 | 934,626,618 |
| Profit before income tax | 61,622,072 | 59,908,687 |
| Profit for the year | 49,943,504 | 47,575,906 |
| | As at 31 December 2020 (audited) (US\$) | As at 31 December 2019 (audited) (US\$) |
| Total assets | 1,161,198,230 | 967,534,266 |
| Total liabilities | 649,356,636 | 532,016,145 |
| Net assets | 511,841,594 | 435,518,121 |

The Offeror

The Offeror is an investment holding company incorporated in the British Virgin Islands. As at the Announcement Date, the Offeror is wholly owned by Great Access Industry Inc., which in turn is owned as to 92.0% by Mr. Zhu and 8.0% by Mr. Zhu Jiachen, the son of Mr. Zhu.

8. WITHDRAWAL OF LISTING OF SHARES

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and extinguished (with the equivalent number of new Shares being issued at par as fully paid to the Offeror) and the share certificates in respect of the Scheme Shares will thereafter cease to have effect as documents or evidence of title.

The Company will apply to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules, with effect immediately following the Effective Date.

The Scheme Shareholders will be notified by way of an announcement of the exact dates of the last day for dealing in the Shares on the Stock Exchange and the day on which the Scheme and the withdrawal of the listing of Shares on the Stock Exchange will become effective. A detailed timetable of the Scheme will be included in the Scheme Document, which will also contain, among other things, further details of the Scheme.

9. IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES

The Scheme will lapse if any of the Conditions has not been fulfilled or waived, as applicable, on or before the Long Stop Date. The listing of the Shares on the Stock Exchange will not be withdrawn if the Scheme does not become effective on or before the Long Stop Date or the Proposal otherwise lapses.

If the Scheme is not approved or the Proposal otherwise lapses, there are restrictions under Rule 31.1(a) of the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with either of them in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may, within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses, announce an offer or possible offer for the Company, except with the consent of the Executive.

If the Independent Board Committee or the Independent Financial Adviser does not recommend the Proposal, and the Scheme is not approved, all expenses incurred by the Company in connection therewith shall be borne by the Offeror in accordance with Rule 2.3 of the Takeovers Code.

10. OVERSEAS SHAREHOLDERS

The making and implementation of the Proposal to the Scheme Shareholders who are not resident in Hong Kong may be affected by and/or subject to the applicable laws of the relevant jurisdictions. Such Scheme Shareholders should inform themselves about and observe any applicable legal, tax or regulatory requirements in their own jurisdictions.

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

Any acceptance by such Scheme Shareholders will be deemed to constitute a representation and warranty from such persons to the Company, the Offeror and their respective advisers, including CMBI, the financial adviser of the Offeror, that those laws and regulatory requirements have been complied with. If you are in doubt as to your position, you should consult your professional advisers.

In the event that the despatch of the Scheme Document to overseas Scheme Shareholders is prohibited by any relevant law or regulation or may only be effected after compliance with conditions or requirements that the directors of the Company regard as unduly onerous or burdensome (or otherwise not in the best interests of the Offeror, Company or their respective shareholders), the Scheme Document may not be despatched to such overseas Scheme Shareholders. For that purpose, the Company will apply for any waivers as may be required by the Executive pursuant to Note 3 to Rule 8 of the Takeovers Code at such time. Any such waiver will only be granted if the Executive is satisfied that it would be unduly burdensome to despatch the Scheme Document to such overseas Scheme Shareholders. In granting the waiver, the Executive will be concerned to see that all material information in the Scheme Document is made available to such overseas Scheme Shareholders, as the case may be.

Scheme Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting the Proposal. It is emphasised that none of the Offeror, the Company and CMBI or any of their respective directors, officers or associates or any other person involved in the Proposal accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Proposal.

11. SCHEME SHARES, COURT MEETING AND EGM

As at the Announcement Date, the Offeror holds 574,706,132 Shares (representing approximately 54.30% of the issued share capital of the Company) and Mr. Zhu, the Chairman, the Chief Executive Officer and an executive Director of the Company and an Offeror Concert Party who controls the Offeror, holds 7,648,500 Shares (representing approximately 0.72% of the issued share capital of the Company). Such Shares will not form part of the Scheme Shares and will not be cancelled and extinguished upon the Scheme becoming effective. As the Offeror and Mr. Zhu are not Scheme Shareholders, they will not vote on the Scheme at the Court Meeting or the Rollover Arrangement at the EGM. The Offeror, Mr. Zhu and the Rollover Shareholders will undertake to the Grand Court that they will be bound by the Scheme, so as to ensure that they will be subject to the terms and conditions of the Scheme.

As at the Announcement Date, the Rollover Shareholders (who are Offeror Concert Parties) hold in aggregate 241,146,868 Shares (representing approximately 22.78% of the issued share capital of the Company). Such Shares will not form part of the Scheme Shares and will not be cancelled and extinguished upon the Scheme becoming effective pursuant to the Rollover Arrangement. As the Rollover Shareholders are not Scheme Shareholders, they will not vote on the Scheme at the Court Meeting or the Rollover Arrangement at the EGM.

All Shareholders will be entitled to attend the EGM and vote on (i) the special resolution to approve and give effect to the reduction of the issued share capital of the Company by cancelling and extinguishing the Scheme Shares, and (ii) the ordinary resolution to immediately thereafter increase the issued share capital of the Company to the amount prior to the

cancellation and extinguishment of the Scheme Shares and apply the reserve created as a result of the aforesaid cancellation and extinguishment of the Scheme Shares to pay up in full at par such number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished as a result of the Scheme for issue to the Offeror.

The Offeror and Mr. Zhu have indicated that if the Scheme is approved at the Court Meeting, other than the resolution to approve the Rollover Arrangement which will not be voted on by the Offeror and Mr. Zhu, those Shares held by them will be voted in favour of the resolutions to be proposed at the EGM. Other than the resolution to approve the Rollover Arrangement which will not be voted on by the Rollover Shareholders, as disclosed in the section titled “Rollover Arrangement” above, the Rollover Shareholders, who are also Offeror Concert Parties, have also undertaken in the Rollover Agreement that the Rollover Shares held by them will be voted in favour of the resolutions to be proposed at the EGM.

12. INDEPENDENT BOARD COMMITTEE

An Independent Board Committee, which comprises all independent non-executive Directors, namely Mr. Dai Guoqiang, Mr. Zhang Zhu and Mr. Lam Yiu Kin, has been established by the Board to make a recommendation: to the Disinterested Shareholders as to: (i) whether the terms of the Proposal and the Scheme are, or are not, fair and reasonable so far as the Disinterested Shareholders are concerned and whether the Disinterested Shareholders should vote in favour of the resolution(s) to approve the Scheme at the Court Meeting and the EGM; (ii) whether terms of the Rollover Arrangement are, or are not, fair and reasonable so far as the Disinterested Shareholders are concerned and whether the Disinterested Shareholders should vote in favour of the resolution(s) to approve the Rollover Arrangement at the EGM.

Pursuant to Rule 2.8 of the Takeovers Code, the Independent Board Committee comprises all non-executive Directors who have no direct or indirect interest in the Proposal.

13. INDEPENDENT FINANCIAL ADVISER

Altus Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee as to (i) whether the terms of the Proposal and the Scheme are, or are not, fair and reasonable so far as the Disinterested Shareholders are concerned and whether the Disinterested Shareholders should vote in favour of the resolution(s) to approve the Scheme at the Court Meeting and the EGM; and (ii) whether terms of the Rollover Arrangement are, or are not, fair and reasonable so far as the Disinterested Shareholders are concerned and whether the Disinterested Shareholders should vote in favour of the resolution(s) to approve the Rollover Arrangement at the EGM. The appointment of Altus Capital Limited as the Independent Financial Adviser has been approved by the Independent Board Committee.

14. DESPATCH OF SCHEME DOCUMENT

The Scheme Document containing, amongst others, further details of the Proposal, the Scheme, the Rollover Arrangement, the expected timetable, an explanatory memorandum as required under the rules of the Grand Court, information regarding the Company, recommendations from the Independent Board Committee with respect to the Proposal, the Scheme and the Rollover Arrangement, the letter of advice from the Independent Financial Adviser, a notice of the Court Meeting, a notice of the EGM and other particulars required by the Takeovers Code, together with forms of proxy in relation thereto, will be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code, the Grand Court and other applicable laws and regulations.

The Scheme Document will contain important information and the Scheme Shareholders are urged to read the Scheme Document containing such disclosures carefully before casting any vote at (or providing any proxy in respect of) the Court Meeting or the EGM. Any voting, acceptance or other response to the Proposal should be made only on the basis of information in the Scheme Document or any other document by which the Proposal is made.

15. DISCLOSURE OF DEALINGS

Associates of the Offeror and the Company (as defined in the Takeovers Code, including shareholders holding 5% or more of the relevant securities (as defined in paragraphs (a) to (d) in Note 4 to Rule 22 of the Takeovers Code) of any of the Offeror and the Company) are hereby reminded to disclose their dealings in any securities of the Company under Rule 22 of the Takeovers Code during the offer period.

Save for (i) the dealings in the Shares by CMBI group which are conducted on a non-discretionary basis for and on behalf of its clients and (ii) the cancellation of 500,000, 400,000 and 600,000 Options without exercise previously held by Mr. Duan Kaifeng, Mr. Liu Feng, and Mr. Tan Guozheng respectively, on 16 April 2021, neither the Offeror nor any of the Offeror Concert Parties had any dealings for value in the Shares during the period commencing six months prior to the Announcement Date.

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

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors

should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

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

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

16. PRECAUTIONARY LANGUAGE REGARDING FORWARD-LOOKING STATEMENTS

This Announcement includes certain “forward-looking statements”. These statements are based on the current expectations of the management of the Offeror and/or the Company (as the case may be) and are naturally subject to uncertainty and changes in circumstances. The forward-looking statements contained in this Announcement include statements about the expected effects on the Company of the Proposal, the expected timing and scope of the Proposal, and all other statements in this Announcement other than historical facts.

Forward-looking statements include, without limitation, statements typically containing words such as “intends”, “expects”, “anticipates”, “targets”, “estimates”, “envisages” and words of similar import. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to, the satisfaction of the conditions to the Proposal, as well as additional factors, such as general, social, economic and political conditions in the countries in which the Offeror and/or the Group operate or other countries which have an impact on the Offeror and/or the Group’s business activities or investments, interest rates, the monetary and interest rate policies of the countries in which the Offeror and/or the Group operate, inflation or deflation, foreign exchange rates, the performance of the financial markets in the countries in which the Offeror and/or Group operate and globally, changes in domestic and foreign laws, regulations and taxes, changes in competition and the pricing environments in the countries in which the Offeror and/or Group operate and regional or general changes in asset valuations. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements.

All written and oral forward-looking statements attributable to the Offeror, the Company or persons acting on behalf of any of them are expressly qualified in their entirety by the cautionary statements above. The forward-looking statements included herein are made only as of the Announcement Date.

Any forward-looking statement contained in this Announcement based on past or current trends and/or activities of the relevant company should not be taken as a representation that such trends or activities will continue in the future. No statement in this Announcement is intended to be a profit forecast or to imply that the earnings of the relevant company for the current year or future years will necessarily match or exceed its historical or published earnings. Each forward-looking statement speaks only as at the date of the particular statement. Subject to the requirements of the Takeovers Code and other applicable laws and regulations, each of the Offeror and the Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in their expectations with regard thereto or any change in events, conditions of circumstances on which any such statement is based.

17. GENERAL

The Offeror have appointed CMBI as its financial adviser in connection with the Proposal.

Mr. Zhu is regarded as being interested in the Proposal, and therefore has abstained and will continue to abstain from voting in respect of the Board resolutions of the Company in relation to the Proposal where required under the articles of association of the Company and subject to the compliance with the Takeovers Code.

The Directors (excluding members of the Independent Board Committee whose views will be given after considering the advice of the Independent Financial Adviser) believe that the terms of the Proposal are fair and reasonable and in the interests of the Shareholders as a whole.

As at the Announcement Date, save for the Rollover Arrangement, no irrevocable commitment to vote for or against the Scheme has been received by the Offeror or the Offeror Concert Parties.

As at the Announcement Date, save for the Proposal and the Rollover Arrangement, there are no arrangements (whether by way of option, indemnity or otherwise) in relation to the Shares or the shares of each of the Offeror between the Offeror or any of the Offeror Concert Parties and any other person which might be material to the Proposal.

As at the Announcement Date, save for the Rollover Agreement and the transaction contemplated thereunder, there are no agreements or arrangements to which the Offeror is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a condition to the Proposal.

As at the Announcement Date, save for the Rollover Agreement, the Offeror and the Company are not aware of any understanding, arrangement or agreement which constitute a special deal (as defined under Rule 25 of the Takeover Code) between (i) any Shareholder; and (ii) either (a) the Offeror or any Offeror Concert Parties or (b) the Company, its subsidiaries or associated companies.

18. SUSPENSION AND RESUMPTION OF TRADING IN SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 23 June 2021 pending issuance of this Announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in Shares on the Stock Exchange with effect from 9:00 a.m. on 28 June 2021.

19. DEFINITIONS

In this Announcement, the following expressions have the meanings set out below unless the context requires otherwise.

| | |
|-----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “2020 Final Dividend” | a final dividend for the year ended 31 December 2020 approved by the Shareholders at the annual general meeting of the Company held on 28 May 2021, which will be distributed on or around 7 July 2021 to Shareholders whose names appear on the register of members of the Company on the 7 June 2021 |
| “acting in concert” | has the meaning ascribed to it in the Takeovers Code and “concert party” shall be construed accordingly |
| “Announcement” | this announcement jointly issued by the Offeror and the Company |
| “Announcement Date” | 25 June 2021, being the date of this Announcement |
| “Applicable Laws” | with respect to any person, any laws, rules, regulations, guidelines, directives, treaties, judgements, decrees, orders or notices of any Authority that is applicable to such person |
| “Approvals” | licenses, authorisation, approvals, permits, consents, permissions, clearances, waivers, filings, and registrations |
| “Authority” | any relevant government, administrative, statutory or regulatory body, or court, tribunal, arbitrator or governmental or quasi-governmental agency or authority or department (including any relevant securities exchange) and whether supranational, national, regional or local |
| “associate” | has the meaning ascribed to it in the Takeovers Code |
| “Board” | the board of directors of the Company |

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| “Cancellation Price” | the cancellation price of HK\$4.38 per Scheme Share cancelled and extinguished payable in cash to the Scheme Shareholders pursuant to the Scheme |
| “CMBI” | CMB International Capital Limited, the financial adviser to the Offeror. CMBI is a licensed corporation under the SFO, licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities |
| “Companies Act” | the Companies Act, Cap. 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands |
| “Company” | Bestway Global Holding Inc., a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange (Stock code: 3358) |
| “Conditions” | the conditions to the implementation of the Proposal and the Scheme as described in the section headed “2. Terms of the Proposal – Conditions of the Proposal and the Scheme” of this Announcement |
| “Court Meeting” | a meeting of the Scheme Shareholders to be convened and held at the direction of the Grand Court at which the Scheme (with or without modification) will be voted upon, or any adjournment thereof |
| “Director(s)” | the director(s) of the Company |
| “Disinterested Share(s)” | Shares in issue other than those beneficially owned by the Offeror and the Offeror Concert Parties |
| “Disinterested Shareholder(s)” | the registered holder(s) of the Disinterested Shares |
| “Effective Date” | the date on which the Scheme, if approved and sanctioned by the Grand Court, becomes effective in accordance with its terms and the Companies Act, being the date on which a copy of the order of the Grand Court sanctioning the Scheme and confirming the reduction of issued share capital resulting from the cancellation and extinguishment of the Scheme Shares is delivered to the Registrar of Companies in the Cayman Islands for registration pursuant to Section 86(3) of the Companies Act |

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| “EGM” | an extraordinary general meeting of the Company to be convened as soon as practicable following the conclusion or adjournment of the Court Meeting for the purposes of passing all necessary resolution(s) for, among other things, the implementation of the Scheme and the Rollover Arrangement |
| “Executive” | the Executive Director of the Corporate Finance Division of the Securities and Futures Commission or any delegate thereof |
| “Grand Court” | the Grand Court of the Cayman Islands |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollar(s), the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Independent Board Committee” | the independent board committee of the Company established by the Board to make a recommendation to the Disinterested Shareholders in respect of the Proposal, the Scheme and the Rollover Arrangement |
| “Independent Financial Adviser” | Altus Capital Limited, a corporation licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, being the independent financial adviser to the Independent Board Committee as to (i) whether the terms of the Proposal and the Scheme are, or are not, fair and reasonable so far as the Disinterested Shareholders are concerned and whether the Disinterested Shareholders should vote in favour of the resolution(s) to approve the Scheme at the Court Meeting and the EGM; and (ii) whether terms of the Rollover Arrangement are, or are not, fair and reasonable so far as the Disinterested Shareholders are concerned and whether the Disinterested Shareholders should vote in favour of resolution(s) to approve the Rollover Arrangement at the EGM |
| “Last Trading Day” | 22 June 2021, being the last trading day of Shares prior to the issuance of this Announcement |
| “Listing Rules” | Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |

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| “Long Stop Date” | 29 December 2021 or such later date as the Offeror may determine and, to the extent applicable, as the Grand Court on application of the Offeror and the Company may direct and in all cases, as permitted by the Executive |
| “Meeting Record Date” | the record date to be announced to the Shareholders, being the record date for the purpose of determining the entitlement of the Scheme Shareholders to attend and vote at the Court Meeting and the entitlement of the Shareholders (or the Disinterested Shareholders in respect of the Rollover Agreement) to attend and vote at the EGM |
| “MSNKS” | M. S. N. K. S. INVESTMENTS LLC, a limited liability company incorporated in Delaware, which is wholly owned by Mr. Nowak |
| “MSNKS II” | MSNKS Investments II, LLC, a limited liability company incorporated in Delaware, which is wholly owned by Mr. Nowak |
| “Mr. Fumagalli” | Mr. Patrizio Fumagalli |
| “Mr. Nowak” | Mr. Bogdan Nowak |
| “Mr. Zhu” | Mr. Zhu Qiang, the Chairman, the Chief Executive Officer and an executive Director of the Company, and an Offeror Concert Party who controls the Offeror by reason of its shareholding in 92.0% of Great Access Industry Inc., which in turn wholly owns the Offeror |
| “Offeror” | Great Success Enterprises Holdings Limited, a company incorporated in the British Virgin Islands |
| “Offeror Concert Parties” | parties acting in concert or presumed to be acting in concert with the Offeror under the definition of “acting in concert” under the Takeovers Code, including Mr. Zhu and the Rollover Shareholders |
| “offer period” | has the meanings ascribed to it in the Takeovers Code |
| “Options” | the share option(s) with an exercise price of HK\$4.346 granted under the share option scheme of the Company adopted by the Company on 18 October 2017 (as amended from time to time) |

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| “Outland Enterprise” | Outland Enterprise Company Limited, a company incorporated in the British Virgin Islands |
| “PRC” | the People’s Republic of China (for the purpose of this Announcement, excluding Hong Kong, the Macao Special Administrative Region and Taiwan) |
| “Proposal” | the proposal for the privatisation of the Company by the Offeror by way of the Scheme, and the withdrawal of the listing of the Shares from the Stock Exchange, on the terms and subject to the conditions set out in this Announcement |
| “Rollover Agreement” | the rollover agreement entered into between the Offeror and the Rollover Shareholders on 25 June 2021, details of which are set out in the section headed “3. Rollover Arrangement” of this Announcement |
| “Rollover Arrangement” | the arrangement between the Offeror and the Rollover Shareholders under the Rollover Agreement as described in the section headed “3. Rollover Arrangement” of this Announcement |
| “Rollover Shares” | Shares held by the Rollover Shareholders |
| “Rollover Shareholders” | Outland Enterprise, Mr. Nowak, MSNKS, MSNKS II and Mr. Fumagalli |
| “Scheme” | a scheme of arrangement between the Company and the Scheme Shareholders under Section 86 of the Companies Act (subject to the Conditions) involving the cancellation and extinguishment of the Scheme Shares and the simultaneous restoration of the number of issued Shares in the share capital of the Company to the number prior to the cancellation and extinguishment of the Scheme Shares |
| “Scheme Document” | the composite scheme document to be issued by the Company and the Offeror containing, among other things, further details of the Proposal together with the additional information specified in the section headed “15. Despatch of Scheme Document” of this Announcement |
| “Scheme Record Date” | the appropriate record date to be announced for determining entitlements of the Scheme Shareholders to the Cancellation Price under the Scheme |

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| “Scheme Share(s)” | Share(s) other than those directly or indirectly held by the Offeror, Mr. Zhu and the Rollover Shareholders |
| “Scheme Shareholder(s)” | the registered holder(s) of Scheme Shares |
| “Securities and Futures Commission” | Securities and Futures Commission of Hong Kong |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “Share(s)” | ordinary share(s) of HK\$0.01 each in the share capital of the Company |
| “Shareholder(s)” | registered holder(s) of the Shares |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Takeovers Code” | The Code on Takeovers and Mergers in Hong Kong |
| “trading day” | a day on which the Stock Exchange is open for the business of dealings in securities |
| “US” | United States of America |
| “US\$” | US dollar(s), the lawful currency of the US |

By the sole director of
Great Success Enterprises Holdings Limited
Zhu Qiang
Sole Director

By Order of the board of
Bestway Global Holding Inc.
Liu Feng
Director

Hong Kong, 25 June 2021

As at the Announcement Date, the sole director of the Offeror is Mr. Zhu Qiang.

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

As at the Announcement Date, the Board of the Company comprises Mr. Zhu Qiang as chairman and executive Director; Mr. Liu Feng, Mr. Tan Guozheng and Mr. Duan Kaifeng as executive Directors; and Mr. Dai Guoqiang, Mr. Zhang Zhu and Mr. Lam Yiu Kin as independent non-executive Directors.

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this Announcement relating to the Group and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Announcement by the Directors have been arrived at after due and careful consideration and there are no other facts not contained in this Announcement, the omission of which would make any statement in this Announcement misleading.