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## THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in doubt as to any aspect of the Share Offer, this Composite Document and/or the accompanying Form of Acceptance and Transfer or the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant, or other professional adviser.

If you have sold or transferred all your shares in CTEH INC., you should at once hand this Composite Document and the accompanying Form of Acceptance and Transfer to the purchaser(s) or the transferee(s) or to the bank or licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s). This Composite Document should be read in conjunction with the accompanying Form of Acceptance and Transfer, the contents of which form part of the terms and conditions of the Share Offer contained herein.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Composite Document and the accompanying Form of Acceptance and Transfer, make no representation as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Composite Document and the accompanying Form of Acceptance and Transfer.

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### TOMORROW EDUCATION TECHNOLOGY LIMITED

明日教育科技有限公司

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



CTEH INC.

加達控股有限公司

*(Incorporated in Ontario, Canada and continued in the  
Cayman Islands with limited liability)*  
(Stock Code: 1620)

## COMPOSITE DOCUMENT RELATING TO UNCONDITIONAL MANDATORY CASH OFFER BY CCB INTERNATIONAL CAPITAL LIMITED FOR AND ON BEHALF OF TOMORROW EDUCATION TECHNOLOGY LIMITED TO ACQUIRE ALL ISSUED SHARES IN THE COMPANY (OTHER THAN THOSE OWNED AND/OR AGREED TO BE ACQUIRED BY TOMORROW EDUCATION TECHNOLOGY LIMITED AND/OR PARTIES ACTING IN CONCERT WITH IT)

Financial adviser to Tomorrow  
Education Technology Limited

Financial adviser to CTEH INC.

Independent Financial Adviser  
to the Independent Board Committee



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Unless the context otherwise requires, capitalised terms used in this Composite Document (including this cover page) have the same meanings as those defined in the section headed "Definitions" in this Composite Document.

A "Letter from CCB" containing, among other things, the details of the terms of the Share Offer are set out on pages 7 to 18 of this Composite Document. A "Letter from the Board" is set out on pages 19 to 25 of this Composite Document. A "Letter from the Independent Board Committee" containing its recommendations to the Independent Shareholders in respect of the Share Offer is set out on pages 26 to 27 of this Composite Document. A "Letter from the Independent Financial Adviser" containing its advice and recommendations to the Independent Board Committee in respect of the Share Offer is set out on pages 28 to 46 of this Composite Document.

The procedures for acceptance and settlement of the Share Offer are set out in Appendix I to this Composite Document and in the accompanying Form of Acceptance and Transfer. Acceptance of the Share Offer should be received by the Registrar no later than 4:00 p.m. on Monday, 19 July 2021 or such later time(s) and/or date(s) as the Offeror may determine and announce, in accordance with the Takeovers Code.

Shareholders should inform themselves of and observe any applicable legal, tax or regulatory requirements. See "Important Notices" on pages iv and v of this Composite Document. Any persons including, without limitation, custodians, nominees and trustees, who would, or otherwise intend to, forward this Composite Document and/or the accompanying Form of Acceptance and Transfer to any jurisdiction outside of Hong Kong should read the details in this regard which are contained in the section headed "Overseas Shareholders" in the "Letter from CCB" in this Composite Document before taking any action. It is the responsibility of any Overseas Shareholders wishing to take any action in relation to the Share Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection therewith, including obtaining all governmental, exchange control or other consents which may be required and compliance with all necessary formalities or legal requirements and the payment of any issue, transfer or other taxes payable by such Overseas Shareholders in respect of the acceptance of the Share Offer (as applicable) in such jurisdiction. The Overseas Shareholders are advised to seek professional advice on deciding whether to accept the Share Offer.

This Composite Document is issued jointly by the Offeror and the Company. The English texts of this Composite Document and the accompanying Form of Acceptance and Transfer shall prevail over their respective Chinese texts for the purpose of interpretation.

This Composite Document will remain on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<https://www.toueast.com>) as long as the Share Offer remains open.

28 June 2021

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## EXPECTED TIMETABLE

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*The timetable set out below is indicative only and may be subject to change. Further announcement(s) will be made in the event that there is any change to the following timetable as and when appropriate.*

<b>Event</b>	<b>Hong Kong Time and Date</b>
Despatch date of this Composite Document and the accompanying Form of Acceptance and Transfer . . . . .	Monday, 28 June 2021
Opening date of the Share Offer . . . . .	Monday, 28 June 2021
Closing Date ( <i>Note 1</i> ) . . . . .	Monday, 19 July 2021
Latest time for acceptance of the Share Offer on the Closing Date ( <i>Note 2</i> ) . . . . .	4:00 p.m. on Monday, 19 July 2021
Announcement of the results of the Share Offer (or its extension or revision, if any), to be posted on the website of the Stock Exchange . . . . .	no later than 7:00 p.m. on Monday, 19 July 2021
Latest date for despatch of cheques for payment of the amounts due under the Share Offer in respect of valid acceptances received on the Closing Date ( <i>Note 3</i> ) . . . . .	Wednesday, 28 July 2021

*Notes:*

(1) The Share Offer, which is unconditional in all respects, will close for acceptances at 4:00 p.m. on Monday, 19 July 2021 unless the Offeror revises or extends the Share Offer in accordance with the Takeovers Code. The Offeror has the right under the Takeovers Code to extend the Share Offer until such date as it may determine subject to compliance with the Takeovers Code (or as permitted by the Executive in accordance with the Takeovers Code). In the event that the Offeror decides to extend the Share Offer and the announcement does not specify the next closing date, at least 14 days' notice by way of an announcement will be given before the Share Offer is closed to those Independent Shareholders who have not accepted the Share Offer.

(2) If you wish to accept the Share Offer, you should ensure your duly completed and signed Form of Acceptance and Transfer and the relevant documents *arrive* at the Registrar (for the Share Offer) not later than the prescribed time. If you choose to deliver the documents by post, you should consider the timing requirements for postage.

Beneficial owners of the Offer Shares who hold their Offer Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant should note the timing requirements for causing instructions to be made to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures.

All acceptances, instructions, authorisations and undertakings given by the Shareholders in the **WHITE Form of Acceptance and Transfer** shall be irrevocable except as permitted under the Takeovers Code.

(3) Remittances in respect of the cash consideration (after deducting the seller's ad valorem stamp duty) payable for the Offer Shares tendered under the Share Offer will be despatched to the Independent Shareholders accepting the Share Offer by ordinary post at their own risk as soon as possible, but in any event within seven (7) business days (as defined under the Takeovers Code) following the date of receipt by the Registrar of all relevant documents (receipt of which renders such acceptance complete and valid) in accordance with the Takeovers Code. Acceptances of the Share Offer shall be irrevocable and not capable of being withdrawn.

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## EXPECTED TIMETABLE

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### **Effect of bad weather on the latest time for acceptance of the Share Offer and/or the latest date for despatch of cheques**

If there is a tropical cyclone warning signal number 8 or above, or a black rainstorm warning in force, in Hong Kong:

- (a) at any time before 12:00 noon but no longer in force at or after 12:00 noon on the latest date for acceptance of the Share Offer and/or the latest date for despatch of cheques or wire transfer of funds for the amounts due under the Share Offer in respect of valid acceptances (as the case may be), the latest time for acceptance of the Share Offer will remain at 4:00 p.m. on the same Business Day and/or the latest date for despatch of cheques or wire transfer of funds will remain on the same Business Day; or
- (b) at any time between 12:00 noon and 4:00 p.m. on the latest date for acceptance of the Share Offer and/or the latest date for despatch of cheques or wire transfer of funds for the amounts due under the Share Offer in respect of valid acceptances (as the case may be), the latest time for acceptance of the Share Offer will be rescheduled to 4:00 p.m. on the following Business Day and/or the latest date for despatch of cheques or wire transfer of funds will be rescheduled to the following Business Day which does not have any of such adverse weather warnings.

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## IMPORTANT NOTICES

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The following information is important for all Shareholders.

You are urged to read this entire Composite Document, including the appendices, and the Form(s) of Acceptance and Transfer carefully.

- *Share Offer Price:* HK\$0.2278 in cash per Offer Share.
- *How to accept the Share Offer:* Please return the duly completed and signed **WHITE Form of Acceptance and Transfer** and the relevant documents to the Registrar (for the Share Offer).
- *Deadline for acceptance:* The Share Offer will close for acceptance at 4:00 p.m. on Monday, 19 July 2021 (the Closing Date), unless otherwise revised or extended.

For details, please refer to “Appendix I — Further Terms of the Share Offer” to this Composite Document.

- *Settlement:* Remittances in respect of the cash consideration (after deducting the seller’s ad valorem stamp duty) payable for the Offer Shares tendered under the Share Offer will be despatched to the Independent Shareholders accepting the Share Offer by ordinary post at their own risk as soon as possible, but in any event within seven (7) business days (as defined under the Takeovers Code) following the date of receipt by the Registrar of all relevant documents (receipt of which renders such acceptance complete and valid) in accordance with the Takeovers Code.

### NOTICE TO OVERSEAS SHAREHOLDERS

The making of the Share Offer to the Shareholders who are citizens, residents or nationals of jurisdictions outside Hong Kong may be subject to the laws or regulations of the relevant jurisdictions. The making of the Share Offer to such Shareholders and their acceptances of the Share Offer may be prohibited or affected by the laws or regulations of the relevant jurisdictions and it is the responsibility of each of such Shareholders who wishes to accept the Share Offer to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant jurisdiction in connection therewith, including any requirement for any governmental, exchange control or other consents, any filing and registration requirements, any necessary formalities, any legal or regulatory requirements and any requirement for the payment by the accepting Shareholders due by such accepting Overseas Shareholders.

Any acceptance of the Share Offer by any Shareholder will be deemed to constitute a representation and warranty from such Shareholder to the Offeror and the Company that all the laws and regulations of the relevant jurisdictions have been complied with and that the Share Offer can be accepted by such Shareholder, lawfully under the laws and regulations of the relevant jurisdictions. Shareholders should consult their professional advisers if in doubt.

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## IMPORTANT NOTICES

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The Offeror and/or its concert party(ies), the Company, CCBI, Lego Corporate Finance Limited, Octal Capital, the Registrar or any of their respective beneficial owners, directors, officers, advisers, associates, agents or any other persons involved in the Share Offer shall be entitled to be fully indemnified and held harmless by the Overseas Shareholders for any taxes they may be required to pay. Please see the section headed “Overseas Shareholders” in the “Letter from CCBI” in this Composite Document.

### CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Composite Document 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.

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, general, social, economic and political conditions in the countries in which the Group operates or other countries which have an impact on the Group’s business activities or investments, interest rates, the monetary and interest rate policies of the countries in which the Group operates, inflation or deflation, foreign exchange rates, the performance of the financial markets in the countries in which the Group operates and globally, changes in domestic and foreign laws, regulations and taxes, changes in competition and the pricing environments in the countries in which the Group operates 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.

Subject to the requirement of applicable laws, rules and regulations, including the Takeovers Code, 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 Latest Practicable Date. Subject to the requirement of applicable laws, rules and regulations, including the Takeovers Code, neither the Offeror nor the Company assumes any obligation to correct or update the forward-looking statements or opinions contained in this Composite Document.

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## DEFINITIONS

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*In this Composite Document, the following expressions have the meanings set out below, unless the context requires otherwise:*

“2011 Rita Tsang Family Trust”	a discretionary trust established on 26 August 2011, by Ms. Min Tsu (as the settlor) and Mrs. Tsang, Ms. Claudia Leung and Mr. William Yee (as the trustees), for the benefit of (i) Mrs. Tsang, (ii) Ms. Claudia Tsang, (iii) Ms. Camille Tsang, (iv) grandchildren of Mrs. Tsang who have attained the age of 18 years, and (v) companies that are incorporated after 26 August 2011 that are wholly-owned by any one or more of Mrs. Tsang, Ms. Claudia Tsang and Ms. Camille Tsang who have attained the age of 18 years. Ms. Claudia Tsang and Ms. Camille Tsang are daughters of Mrs. Tsang. Both Ms. Claudia Leung and Mr. William Yee are Independent Third Parties and are not Shareholders. Ms. Min Tsu is the mother of Mrs. Tsang, Ms. Tsu and Dr. Chu and is not a Shareholder. Save that Ms. Claudia Leung and Mr. William Yee are trustees to the 2011 Rita Tsang Family Trust, they have no relationship with Mrs. Tsang
“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“Acquisitions”	the purchase of the Sale Shares by the Purchaser from the Vendors in accordance with the terms and conditions of the Sale and Purchase Agreement
“Announcement Date”	6 June 2021, being the date of the Joint Announcement
“associate(s)”	has the meaning ascribed to it under the Takeovers Code
“associated company(ies)”	has the meaning ascribed to it under the Takeovers Code
“Board”	the board of Directors
“Business Day(s)”	a day on which the Stock Exchange is open for the transaction of business
“BVI”	the British Virgin Islands
“CCBI”	CCB International Capital Limited, a corporation licensed to carry on type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO, the financial adviser to the Offeror

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## DEFINITIONS

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“CCBIS”	CCB International Securities Limited, a corporation licensed to carry on type 1 (dealing in securities), type 2 (dealing in future contracts) and type 4 (advising on securities) regulated activities under the SFO
“Charged Share”	the Sales Shares acquired upon the Completion and the Offer Shares to be acquired by the Offeror in the Share Offer
“Closing Date”	19 July 2021, being the closing date of the Share Offer or any subsequent closing date in the event that the Share Offer are extended or revised in accordance with the Takeovers Code
“Company”	CTEH INC., a company incorporated in Ontario, Canada and continued in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange with stock code 1620
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the Sale and Purchase Agreement
“Completion Date”	10 June 2021
“Composite Document”	this composite offer and response document dated 28 June 2021 jointly issued by the Offeror and the Company in accordance with the Takeovers Code in relation to the Share Offer
“Director(s)”	the director(s) of the Company
“Encumbrances”	any mortgage, charge, pledge, lien (otherwise than arising by statute or operation of law), equities, hypothecation or other encumbrance, priority or security interest, deferred purchase, title retention, leasing, sale-and-repurchase or sale-and-leaseback arrangement whatsoever over or in any property, assets or rights of whatsoever nature and includes any agreement for any of the same
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“First Vendor”	BVATH Inc., a limited liability company incorporated under the laws of the province of Ontario, Canada, on 1 August 2017, and continued in the British Virgin Islands on 23 October 2017. BVATH Inc. is wholly-owned by AT Horizons Holdings Inc., which in turn is wholly-owned by Ms. Tsu



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## DEFINITIONS

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“Form of Acceptance and Transfer”	the form of acceptance and transfer in respect of the Share Offer accompanying this Composite Document
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising all independent non-executive Directors, namely Dr. Michael Edward Ricco, Mrs. Kitty Yuk Yee Yeung, and Mr. Sik Yuen Lau, established for the purpose of advising the Independent Shareholders in respect of the Share Offer and in particular as to whether the terms of the Share Offer are fair and reasonable and as to acceptance of the Share Offer
“Independent Financial Adviser” or “Octal Capital”	Octal Capital Limited, a licensed corporation permitted under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities, being the independent financial adviser appointed for the purpose of advising the Independent Board Committee and the Independent Shareholders in respect of the Share Offer
“Independent Shareholders”	the Shareholders other than the Offeror and/or its parties acting in concert with it
“ITA”	the <i>Income Tax Act</i> , R.S.C. 1985, c. 1 (5th Supplement)
“Joint Announcement”	the announcement dated 6 June 2021 jointly issued by the Offeror and the Company in relation to the Share Offer
“Last Trading Day”	4 June 2021, being the last trading day on which the Shares were traded on the Stock Exchange immediately prior to the publication of the Joint Announcement
“Listing Date”	28 June 2018, the date on which dealings in our Shares first commence on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Latest Practicable Date”	25 June 2021, being the latest practicable date prior to the printing of this Composite Document for ascertaining certain information for inclusion in this Composite Document
“Main Board”	the main board maintained and operated by the Stock Exchange

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## DEFINITIONS

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“Margin Loan Facility”	the margin loan facility provided by CCBIS to the Offeror on 13 May 2021, with a guaranteed commitment of HK\$175,000,000 granted by CCBIS in favour of the Offeror, which is secured, by the financial assets owned by the ultimate beneficial owner of the Offeror and a charge of the Charged Shares in favour of CCBIS. Unless occurrence of any default which is continuing under the Margin Loan Facility or the Offeror fails to pay on the due date of any amount payable under the Margin Loan Facility, the voting right of the Charged Shares would not be transferred to CCBIS
“Mr. Liu”	Mr. Liu Xue Bin (劉學斌), one of the proposed Director of the new Board
“Offer Period”	the period from the date of the Joint Announcement until the Closing Date, or such other time and/or date to which the Offeror may decide to extend or revise the Share Offer in accordance with the Takeovers Code
“Offer Share(s)”	all the issued Shares, other than the Shares that are owned by and/or acquired by the Offeror and/or parties acting in concert with it
“Offeror”	Tomorrow Education Technology Limited (明日教育科技有限公司), a company incorporated in the British Virgin Islands on 9 April 2020, the shares of which are owned as to 70% by Tomorrow Education Holding Limited (which is wholly-owned by Mr. Liu) and 30% by Tomorrow Education Investment Limited (which is wholly-owned by Ms. Kou Chung Yin Mariana)
“Overseas Shareholder(s)”	Shareholders whose addresses as shown on the register of members of the Company are outside Hong Kong
“PRC”	the People’s Republic of China, for the purpose of this Composite Document, shall exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Registrar”	Boardroom Share Registrars (HK) Limited, at Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, the Hong Kong branch share registrar and transfer office of the Company

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## DEFINITIONS

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“Relevant Period”	the period commencing on the date falling six months preceding the date of the Joint Announcement (being the date of commencement of the Offer Period), up to and including the Latest Practicable Date
“Sale and Purchase Agreement”	the sale and purchase agreement dated 5 June 2021 entered into, among others, between the First Vendor, the Second Vendor, the Third Vendor and the Offeror in respect of the sale and purchase of the Sale Shares
“Sale Share(s)”	collectively, 900,000,000 Shares acquired by the Offeror from the Vendor pursuant to the terms of the Sale and Purchase Agreement; and “Sale Share” means any one of them
“Second Vendor”	BVDCH Inc., a limited liability company incorporated under the laws of the province of Ontario, Canada, on 1 August 2017, and continued in the British Virgin Islands on 23 October 2017. BVDCH Inc. is wholly-owned by Dennis Chu Holdings Inc., which in turn is wholly-owned by Dr. Chu
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Share Offer”	the unconditional mandatory cash offer by CCBI for and on behalf of the Offeror to acquire all issued Shares in the Company (other than the Excluded Shares and those already owned or agreed to be acquired by the Offeror) in accordance with the Takeovers Code
“Share Offer Price”	the price at which the Share Offer will be made, being HK\$0.2278 per Offer Share
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

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## DEFINITIONS

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“Third Vendor”	BVRTH Inc., a limited liability company incorporated under the laws of the province of Ontario, Canada, on 1 August 2017, and continued in the British Virgin Islands on 23 October 2017. BVRTH Inc. is wholly-owned by Rita Tsang Group Holdings Inc., in which Mrs. Tsang is entitled to 90.9% of the voting rights in her own capacity and 2011 Rita Tsang Family Trust is entitled to 9.1% of the voting rights in its own capacity
“USA”	the United States of America
“Vendors”	the First Vendor, the Second Vendor and the Third Vendor
“%”	per cent.



**CCB INTERNATIONAL CAPITAL LIMITED**

28 June 2021

*To the Independent Shareholders,*

Dear Sir or Madam,

**UNCONDITIONAL MANDATORY CASH OFFER BY CCB INTERNATIONAL CAPITAL LIMITED FOR AND ON BEHALF OF TOMORROW EDUCATION TECHNOLOGY LIMITED TO ACQUIRE ALL ISSUED SHARES IN THE COMPANY (OTHER THAN THOSE OWNED AND/OR AGREED TO BE ACQUIRED BY TOMORROW EDUCATION TECHNOLOGY LIMITED AND/OR PARTIES ACTING IN CONCERT WITH IT)**

**INTRODUCTION**

Reference is made to the Joint Announcement in relation to, among other things, the Sale and Purchase Agreement and the Share Offer. It was mentioned in the Joint Announcement that on 6 June 2021, the First Vendor, the Second Vendor and the Third Vendor and the Offeror entered into the Sale and Purchase Agreement pursuant to which the Offeror agreed to acquire 270,000,000 Shares from the First Vendor, 90,000,000 Shares from the Second Vendor, and 540,000,000 Shares from the Third Vendor, representing a total of 900,000,000 Shares (equivalent to 75.0% of the total issued share capital of the Company as at the date of the Joint Announcement), for a consideration of an aggregated amount of HK\$205 million, equivalent to approximately HK\$0.2278 per Sale Share. Reference is also made to the announcement jointly published by the Offeror and the Company on 10 June 2021 which announced that the sale and purchase of the Sale Shares contemplated in the Sale and Purchase Agreement was completed on 10 June 2021.

Prior to the Completion, neither the Offeror nor any person acting in concert with it was interested in any Shares. Upon the Completion and as at the Latest Practicable Date, the Offeror and parties acting in concert with it hold 900,000,000 Shares, representing 75.0% of the total issued share capital of the Company as at the Latest Practicable Date.

Upon Completion, the Offeror is required to make the Share Offer for all the issued Shares (other than the Shares that are owned by and/or acquired by the Offeror and/or parties acting in concert with it) pursuant to Rule 26.1 of the Takeovers Code.

This letter forms part of this Composite Document and sets out, among other things, details of the Offer, information on the Offeror, and the intention of the Offeror in relation to the Group. Further details on the terms and the procedures for acceptance of the Share Offer are set out in Appendix I to this Composite Document and the accompanying Forms of Acceptance and Transfer.

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## LETTER FROM CCBI

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The Independent Shareholders are strongly advised to carefully consider the information contained in the “Letter from the Board”, the “Letter from the Independent Board Committee”, the “Letter from the Independent Financial Adviser”, the appendices to this Composite Document and the accompanying Forms of Acceptance and Transfer, and to consult their own professional advisers before reaching a decision as to whether or not to accept the Share Offer.

### THE SHARE OFFER

As at the Latest Practicable Date, there were 1,200,000,000 Shares in issue, of which 900,000,000 Shares (representing approximately 75.0% of the entire issued share capital of the Company) are held by the Offeror and parties acting in concert with each of them. The Company does not have any outstanding warrants, options, derivatives or securities convertible into Shares and has not entered into any agreement for the issue of such warrants, options, derivatives or securities which are convertible into or which confer rights to require the issue of Shares as at the Latest Practicable Date.

### Principal terms of the Share Offer

CCBI, for and on behalf of the Offeror and in compliance with the Takeovers Code, is making the offer to acquire all the Offer Shares on terms set out in this Composite Document in accordance with the Takeovers Code on the following basis:

For each Offer Share . . . . .HK\$0.2278 in cash

The Share Offer Price of HK\$0.2278 is equal to the price per Sale Share paid by the Offeror under the Sale and Purchase Agreement, which was determined by the Offeror after taking into account, among others, (i) the Company’s historical share price performance and (ii) commercial assessment of the Company. The Share Offer Price will not be affected by the downward adjustment of the Consideration, if any, as stipulated in the section headed “The Sale and Purchase Agreement — Downward Adjustment of the Consideration” in the Joint Announcement. The Offeror believes that the Share Offer Price is fair and commercially attractive to other Shareholders.

The Offeror will not increase the Share Offer Price. Shareholders and potential investors should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Share Offer Price and the Offeror does not reserve the right to increase the Share Offer Price.

The Share Offer will be unconditional in all respects and will not be conditional upon acceptances being received in respect of a minimum number of Shares or any other conditions.

### Comparison of value

The Share Offer Price of HK\$0.2278 per Offer Share represents:

- (a) a premium of approximately 18.65% over the closing price of HK\$0.192 per Share as quoted on the Stock Exchange on the Last Trading Day;

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## LETTER FROM CCBI

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- (b) a premium of approximately 9.10% over the average closing price of approximately HK\$0.2088 per Share based on the daily closing prices as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;
- (c) a premium of approximately 4.83% over the average closing price of approximately HK\$0.2173 per Share based on the daily closing prices as quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to and including the Last Trading Day;
- (d) a premium of approximately 3.99% over the average closing price of approximately HK\$0.2191 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Day;
- (e) a premium of approximately 15.96% over the average closing price of approximately HK\$0.1965 per Share based on the daily closing prices as quoted on the Stock Exchange for the 60 consecutive trading days immediately prior to and including the Last Trading Day;
- (f) a premium of approximately 27.25% over the average closing price of approximately HK\$0.1790 per Share based on the daily closing prices as quoted on the Stock Exchange for the 90 consecutive trading days immediately prior to and including the Last Trading Day;
- (g) a premium of approximately 140.07% over the audited consolidated net asset value attributable to the Shareholders of approximately HK\$0.0949 per Share as at 31 December 2020, calculated by dividing the Group's audited consolidated net assets attributable to the Shareholders of approximately HK\$113,865,000 as at 31 December 2020 by 1,200,000,000 Shares in issue as at the Latest Practicable Date; and
- (h) a discount of approximately 4.29% to the closing price of HK\$0.238 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

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

During the Relevant Period, the highest and lowest closing prices of the Shares as quoted on the Stock Exchange were HK\$0.325 per share on 11 June 2021 and HK\$0.139 per Share on 15, 18, 19, 20 and 21 January 2021, respectively.

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## LETTER FROM CCBI

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### **Value and total consideration for the Share Offer**

As at the Latest Practicable Date, there are 1,200,000,000 Shares in issue. Assuming that there is no change in the issued share capital of the Company and on the basis of the Share Offer Price being HK\$0.2278 per Offer Share, excluding the 900,000,000 Shares already held by the Offeror, 300,000,000 Shares will be subject to the Share Offer. On the basis of full acceptance of the Share Offer, the maximum cash consideration payable by the Offeror under the Share Offer would be HK\$68,340,000, based on the Share Offer Price.

### **Effects of Accepting the Share Offer**

By accepting the Share Offer, the Shareholders will sell their Shares to the Offeror free from all liens, claims, encumbrances and all third party rights and with all rights attached thereto as at the date on which the Share Offer is made, being the date of this Composite Document, including the right to receive all dividends declared, paid or made, if any, on which the Share Offer is made.

Acceptance of the Share Offer would be irrevocable and would not be capable of being withdrawn, subject to the provision of the Takeovers Code.

### **Overseas Shareholders**

The making of the Share Offer to a person with a registered address in a jurisdiction outside Hong Kong may be affected by the applicable laws of the relevant jurisdiction. Overseas Shareholders should observe any applicable legal and regulatory requirements and, where necessary, consult their own professional advisers. It is the responsibilities of the Overseas Shareholders who wish to accept the Share Offer to satisfy themselves as to full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Share Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due from such Overseas Shareholders in respect of such jurisdictions). Any acceptance by any Overseas Shareholder will be deemed to constitute a representation and warranty from such Overseas Shareholder to the Offeror that the local laws and requirements have been complied with.

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

The Offeror intends to finance and satisfy the consideration payable under the Share Offer with the margin loan facility provided by CCBIS on 13 May 2021 with a guaranteed commitment of HK\$175,000,000 for financing the consideration payable by the Offeror for the Completion of the Sale and Purchase Agreement and the Share Offer, and which is to be secured by the Charged Shares and the financial assets owned by the ultimate beneficial owner of the Offeror. Under the Margin Loan Facility, unless there is occurrence of any events of default which is continuing or the Offeror defaults on the repayment of any amount payable on its due date, the voting right of the Charged Shares would not be transferred to CCBIS. And, after the Completion, there is a guaranteed commitment remained in place of HK\$70,000,000 for the consideration payable under the Share Offer.



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## LETTER FROM CCBI

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CCBI, being the financial adviser to the Offeror, is satisfied that sufficient financial resources are, and will remain, available to the Offeror to satisfy the consideration payable by the Offeror upon full acceptance of the Share Offer.

The Offeror does not intend that the payment of interest on, repayment of or security for any liability (contingent or otherwise) in relation to the abovementioned loan will depend to any significant extent on the business of the Group.

### **Hong Kong stamp duty**

The seller's Hong Kong ad valorem stamp duty payable by the Shareholders on acceptance of the Share Offer calculated at a rate of 0.1% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror, whichever is higher, will be deducted from the amounts payable by the Offeror to such person on acceptance of the Share Offer.

The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Shareholders who accept the Share Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptances of the Share Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

### **Payment**

Payment in cash in respect of the Share Offer will be made as soon as possible but in any event within seven (7) Business Days (as defined in the Takeovers Code) of the date on which the duly completed acceptances of the Share Offer are received. Relevant documents evidencing title in respect of such acceptances must be received by the Offeror (or its agent) to render each such acceptance of the Share Offer complete and valid in accordance with Note 1 to Rule 30.2 of the Takeovers Code.

### **Tax advice**

Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Share Offer. None of the Offeror, the Company, the financial adviser to the Offeror, and (as the case may be) their respective ultimate beneficial owners, directors, officers, agents, advisers or associates or any other person involved in the Share Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Share Offer.

### **Procedures for acceptance**

Your attention is drawn to "Further Terms of the Share Offer" as set out in Appendix I to this Composite Document and the accompanying **WHITE** Form of Acceptance and Transfer.

### **INFORMATION ON THE COMPANY AND THE GROUP**

Your attention is drawn to the section headed "Information of the Company and the Group" in the "Letter from the Board" contained in this Composite Document.

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## LETTER FROM CCBI

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### INFORMATION ON THE OFFEROR

The Offeror is an investment holding company incorporated in the British Virgin Islands with limited liability on 9 April 2020, the shares of which are owned as to 70% by Tomorrow Education Holding Limited (which is wholly-owned by Mr. Liu, a non-resident of Canada) and 30% by Tomorrow Education Investment Limited (which is wholly-owned by Ms. Kou Chung Yin Mariana, a non-resident of Canada). As of the Latest Practicable Date, none of the Offeror, its respective ultimate beneficial owners, its directors, being Mr. Liu and Ms. Kou Chung Yin Mariana, and the parties acting in concert with any of them is interested in any Shares, other than the Sale Shares.

### INTENTION OF THE OFFEROR IN RELATION TO THE GROUP

The Offeror intends to continue the existing business of the Company and has no intention to dispose of the Company's businesses immediately after completion of the Share Offer. The Offeror will, following the closing of the Share Offer, conduct a detailed review of the operations of the existing business and asset base and broaden its income stream. Each of the Company and the Offeror confirms that, during the Offer Period, there is no intention and no anticipation to further expand and/or divest the existing businesses of the Company should appropriate opportunities arise. Given that the Group is a long-established air ticket consolidator, travel business process management provider and travel products and services provider, the Offeror expects that upon Completion, by leveraging the expertise and the existing business network of the Group in the sector of travel services, the Offeror and its ultimate beneficial owner, and the Group may all be benefited by fostering a long-term growth potential and create synergies through possible cooperation between the respective businesses of the Group, and the Offeror and its ultimate beneficial owner. Regarding the proposed change to the Board of the Group (as stated in the section headed "Proposed Change of The Board Composition" below), both the Offeror and the proposed Directors to the Board do not have relevant experience in any business similar to that of the Group. Nevertheless, in order to facilitate the operation of the existing business of the Group, the existing senior management members of the Group's subsidiaries will be retained, and, furthermore, given the proposed Directors possess experiences in premium private education and real estate development, the Offeror believe that, by leveraging such experiences and their extensive business network, the customer base of the Group would be broaden and additional marketing channels for promoting the Group can be introduced. Also, given the proposed Directors to the Board share diverse background, including real estate, education, consumer products, corporate finances and financial services, as well as their hands-on experience in enterprise management, it is believed that the proposed Directors to the Board will enhance the Group's ability in exploring further business opportunities and strengthen the corporate governance of the Group.

As at the Latest Practicable Date, the Offeror has no plan of injecting any of its assets into the Company (but any proposed injection of assets in the future will be made in compliance with the Listing Rules) or redeploying the employees and fixed assets of the Company other than in the ordinary course of business. The Offeror also intends to continue to employ the employees of the Group after the completion of the Share Offer. However, the Offeror reserves the right to make any changes that it deems necessary or appropriate to the Group's businesses and operations to optimise the value of the Group.

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## LETTER FROM CCBI

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### PROPOSED CHANGE OF THE BOARD COMPOSITION

The Board is currently made up of two executive Directors, one non-executive Director and three independent non-executive Directors.

All of the existing Directors have tendered resignation to take effect from a date which is no earlier than such date as permitted under Rule 7 of the Takeovers Code (i.e. after the close of the Offer).

The Offeror has nominated (i) Mr. Liu and Ms. Kou Chung Yin Mariana as the new executive Directors of the Board, (ii) Mr. Liu Jiefeng as the new non-executive Director of the Board, (iii) Mr. Fong Wai Bun Benny, Ms. Suen Yin Wah Chloe, and Ms. Kwan Ka Yee as the new Independent non-executive Director of the Board. The appointment of the new Directors will take effect on the close of the Offer. Any changes to the composition of the Board will be made in compliance with the Takeovers Code and the Listing Rules. The biographies of the new Directors to be nominated are set out below:

#### **Biographies of new Directors nominated by the Offeror**

**Mr. Liu**, aged 48, is an executive director of Wisdom Education International Holdings Company Limited (睿見教育國際控股有限公司) (HKSE: 6068) (“**Wisdom Group**”), a private education group that is listed on the Main Board of the Stock Exchange and principally engages in providing premium primary and secondary school education, since June 2016. He is responsible for the overall formulation, supervision and guidance of business strategies, planning and development of the Wisdom Group. From October 2002 to July 2016, Mr. Liu served as a director at Guangdong Guangzheng Educational Group Co., Ltd.\* (廣東光正教育集團有限公司), a company that is principally engaged in the provision of private education in the PRC, which has become part of the Wisdom Group after its listing in January 2017.

Mr. Liu also holds interest in other companies that engaged in other businesses, including but not limited to, real estate, construction, hotel and tourism in the PRC.

Mr. Liu was awarded the World Outstanding Chinese Award (世界傑出華人獎) by United World Chinese Association Limited (世界華人協會) in 2007.

**Ms. Kou Chung Yin Mariana** (高頌妍), aged 37, is an executive director and the chief executive officer of Research Study Education Group, a company that provides overseas education services to students in the Greater Bay Area, since December 2019, where she is mainly responsible for the strategic planning and day-to-day business operations of the company. From May 2010 to November 2019, she was at CLSA Limited, a company that provides corporate finance and asset management services, where she was most recently the head of China Education and HK consumer research and she had participated in a number of IPOs in various business sectors. Ms. Kou is also the author of a book titled “Investing in Dragons: Education Industry and Capital Markets”. She was featured by several international media and local press throughout the years.

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## LETTER FROM CCBI

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Ms. Kou is pursuing a global executive doctoral degree in education at the University of Southern California in the United States. She also received a certificate of an innovation and entrepreneurship program from Stanford University, the USA in January 2016 and a master's degree in business administration from Columbia Business School, the USA, in May 2009. Ms. Kou obtained her bachelor's degree in business administration from University of Notre Dame, the USA, with magna cum laude and Raymond P. Kent Award in 2005.

**Mr. Liu Jiefeng (劉杰鋒)**, aged 29, is the deputy manager of Andres International Education Group\* (安德列斯教育集團), an education group that provides nursery programmes in the PRC, since April 2019, where he is primarily responsible for formulating the annual investment plan and overseeing the daily operations of kindergartens that are operated by the group. Prior to joining Andres International Education Group, from November 2014 to March 2016, Mr. Liu Jiefeng was a chairman assistant at Dongguan Fuying Real Estate Development Co., Ltd\* (東莞市富盈房地產開發有限公司), a PRC based property developer, where he was responsible for the liaison with and coordination between different departments within the group. From March 2014 to October 2014, Mr. Liu Jiefeng was a general manager's assistant at Dongguan Fuying Hotel Management Co., Ltd.\* (東莞市富盈酒店管理有限公司), where he was principally responsible for assisting the general manager on the day-to-day business operations.

Mr. Liu Jiefeng obtained his master's degree in business administration from City University in Malaysia in 2019.

**Mr. Fong Wai Bun Benny (方衛斌)**, aged 47, is the director of corporate finance at I.T. Limited, a Hong Kong company that engages in the retailing of fashion apparels and accessories, since August 2011, where he is primarily responsible for overseeing the corporate finance and investor relations departments of the group. From May 2008 to May 2011, he was the portfolio manager at Adept Capital Partners, a Hong Kong based boutique investment firm, where he was responsible for formulating and managing the investment portfolio of a number of funds, and risk analysis.

Mr. Fong obtained a master's degree in finance from Illinois Institute of Technology in the United States in August 2001 and a master's degree in economics from York University in Canada in August 1998.

**Ms. Suen Yin Wah Chloe (孫燕華)**, aged 38, is the vice chairman and chief executive officer at ASL Group, a company with a diversified investment portfolio in Asia and where she is primarily responsible for all investments and operations. She is also the chairman of Simon Suen Foundation, a charitable organization in Hong Kong that promotes Chinese arts and culture and operates the Sun Museum. She is a member of the Court at Hong Kong Baptist University and serves on multiple school boards in Hong Kong and the United States.

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## LETTER FROM CCBI

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Ms. Suen has also been serving the following positions:-

Name of the entities/ governmental appointments	Position	Period
Art Sub-committee, Museum Advisory Committee	Co-opted Member	From October 2020 to present
Sha Tin Arts and Culture Promotion Committee	Vice-chairperson	From July 2020 to present
Appeal Board Panel (Gas Safety)	Member	From August 2018 to present
Advisory Committee on Built Heritage Conservation	Member	From May 2018 to present
Appeal Board Panel (Consumer Goods Safety)	Member	From October 2017 to present
Intangible Cultural Heritage Advisory Committee	Member	From January 2016 to present
The 12th Guangxi Zhuang Autonomous Region Committee of the Chinese People's Political Consultative Conference* (中國人民政治協商會議第十二屆廣西壯族自治區委員會)	Committee Member	From November 2020 to present
The 11th Committee of Guangdong Youth Federation* (廣東省青年聯合會第十一屆委員會)	Committee Member	From January 2017 to present
The 6th Committee of Dongguan Youth Federation* (東莞市青年聯合會第六屆委員會)	Standing Committee	From January 2016 to present
The 13th Dongguan Committee of the Chinese People's Political Consultative Conference* (中國人民政治協商會議第十三屆東莞市委員會)	Committee Member	From December 2016 to present

Ms. Suen obtained a master's degree in organizational psychology from Columbia University in the USA in February 2009 and a dual bachelor's degree in philosophy and business administration from Carnegie Mellon University in the USA in May 2004.

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## LETTER FROM CCBI

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**Ms. Kwan Ka Yee (關嘉怡)**, aged 40, is the finance and operation director of Voyager Capital Limited, a Hong Kong based private equity firm that provides investment management and advisory services, since July 2019, where Ms. Kwan is primarily responsible for overseeing the daily operations, formulating budget and performance measures, and preparation of the firm's audit and tax filing matters. From April 2015 to May 2018, Ms. Kwan was the finance director at Lombard Odier (Hong Kong) Limited, an investment advisor that provides wealth management services for private and institutional clients in Asia, where Ms. Kwan was responsible for formulating budget and performance measures for Asia. From June 2012 to August 2014, Ms. Kwan was the controller at the finance team of Lombard Odier Asset Management (USA) Corporation, an investment management company based in the United States that offers asset management, equities, financial planning and advisory services, where she was responsible for managing the finance function of the company including reviewing the funds' performance and preparing year-end audit. From June 2012 to August 2014, Ms. Kwan was an assistant controller at M.D. Sass Investors Services, Inc., an asset management firm in New York, where she was mainly responsible for reviewing year-end financial statements and the investment portfolios of various funds. From October 2008 to April 2010, Ms. Kwan was the accounting manager of finance department at Apax Partners, a private equity firm, where she was responsible for preparing quarterly and year-end balances and financial statements for private equity funds.

Ms. Kwan is an inactive certified public accountant in the state of New York.

Ms. Kwan holds a bachelor's degree in business administration from Boston University in the USA in May 2002.

Each of the Proposed Directors, (i) does not hold any other position with the Company or any of its subsidiaries; (ii) has not hold any other directorship in, or direct or indirect interest in 10% or more of the issued share capital of, any other public companies the securities of which are listed on any security market in Hong Kong or overseas in the three years prior to the date of this joint announcement; (iii) does not have any relationship with any directors, senior management or substantial or controlling shareholders (as defined under the Listing Rules) of the Company; (iv) does not have any interest in the Shares or underlying Shares in the Company (within the meaning of Part XV of the SFO). There is no other information in relation to the appointments of the new Directors that is required to be disclosed nor are/were they involved in any of the matters required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders.

### **Tax Implication in relation to the change of Directors**

The Company was incorporated under the laws of the province of Ontario and continued and redomiciled under the laws of the Cayman Islands. The Company is generally considered as a resident of Canada for the purposes of the ITA so long as their "mind and management" also remain in Canada. As such, the Company is subject to Canadian taxation under the ITA in the same manner as any other corporation resident in Canada, including being subject to full Canadian taxation on worldwide income.

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## LETTER FROM CCBI

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If the Company at any time becomes a non-resident of Canada for the purposes of the ITA, certain adverse “departure taxes” (the “**Departure and Deemed Disposition Taxes**”) would arise. This result would be triggered if the “mind and management” of the Company shifts to a significant extent outside of Canada (which can occur, for example, if more than 50% of the Board consists of non-Canadian Directors who meet and make decision(s) outside of Canada). These departure taxes are imposed on the Company and not its shareholders. As disclosed in the paragraph headed “Proposed Change of the Board Composition” above, the Offeror intends to nominate new Directors for appointment to the Board with effect from the close of the Share Offer, it is probable that the departure taxes may be triggered at the time of such changes to the Board.

Moreover, for the purposes of the ITA, where at any particular time a corporation ceases to be a resident of Canada, the corporation is deemed to have disposed of each property owned by the corporation and will trigger the deemed disposition tax. Therefore, the deemed disposition tax will also be applicable for the taxable income arising from the deemed disposition of all properties held by the Company immediately before departure tax would be triggered. The payment of the Departure and Deemed Disposition Taxes as required by the ITA are based on the fair value and the financial results of the Company.

While the Departure and Deemed Disposition Taxes are imposed on the Company and not its shareholders, such taxes may erode the value of one’s investment in the Company. Based on the information currently available, the Departure and Deemed Disposition Taxes are estimated to be at or around HK\$27.3 million. Shareholders should note that such amount is an estimation only and may vary subject to the fair value and the financial results of the Company when the Departure and Deemed Disposition Taxes are triggered. For details, please refer to the section headed “Certain Canadian Legal and Regulatory Considerations in Relation to the Share Offer” and “Risk Factors” of the prospectus of the Company dated 15 June 2018.

### **COMPULSORY ACQUISITION**

The Offeror does not intend to exercise any power of compulsory acquisition of any outstanding Offer Shares not acquired under the Offer after the close of the Share Offer.

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

The Offeror intends to maintain the listing of the Shares on the Stock Exchange after the closing of Share Offer.

Pursuant to the Listing Rules, if, at the closing of the Share Offer, less than the minimum prescribed percentage applicable to the Company, being 25.0% of the issued share capital of the Company, are held by the public or if the Stock Exchange believes that:

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

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## LETTER FROM CCBI

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the Stock Exchange will consider exercising its discretion to suspend dealing in the Shares. Therefore, it should be noted that upon closing of the Share Offer, there may be insufficient public float of the Shares and the trading in the Shares may be suspended until sufficient public float exists for the Shares. Each of the directors of the Offeror and the new directors to be appointed to the Board will joint and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares after the close of the Share Offer.

### GENERAL

All documents and remittances to be sent to the Shareholders will be sent to them by ordinary post at their own risk. Such documents and remittances will be sent to the Shareholders at their respective addresses as they appear in the registers of the members of the Company and in the case of joint holders, to such holder whose name appears first in the relevant registers. The Offeror and parties acting in concert with it, the Company, CCBI, Lego Corporate Finance Limited, Octal Capital, the Registrar and their respective ultimate beneficial owners, directors, officers, agents, advisers and associates or any other parties involved in the Share Offer will not be responsible for any loss or delay in transmission or any other liabilities that may arise as a result thereof or in connection therewith.

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information regarding the Share Offer set out in the appendices to this Composite Document and the accompanying **WHITE** Form of Acceptance and Transfer, which form part of this Composite Document. In addition, your attention is also drawn to the “Letter from the Board”, the “Letter from the Independent Board Committee” and the “Letter from the Independent Financial Adviser” contained in this Composite Document.

Yours faithfully,  
for and on behalf of  
**CCB International Capital Limited**  
**Gilman Siu**  
*Managing Director, Mergers & Acquisitions*



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LETTER FROM THE BOARD

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**CTEH INC.**

**加達控股有限公司**

*(Incorporated in Ontario, Canada and continued in the Cayman Islands with limited liability)*

**(Stock Code: 1620)**

*Executive Directors:*

Mrs. Rita Pik Fong Tsang

Ms. Annie Shuk Fong Tsu

*Non-executive Director:*

Dr. Kwok Chun Dennis Chu

*Independent non-executive Directors:*

Dr. Michael Edward Ricco

Mrs. Kitty Yuk Yee Yeung

Mr. Sik Yuen Lau

*Registered Office:*

4th Floor, Harbour Place

103 South Church Street

PO Box 10240

Grand Cayman, KY1-1002

Cayman Islands

*Principal Place of Business in  
Hong Kong:*

31st Floor, 148 Electric Road

North Point Hong Kong

28 June 2021

*To the Independent Shareholders:*

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY  
CCB INTERNATIONAL CAPITAL LIMITED FOR AND ON BEHALF OF  
TOMORROW EDUCATION TECHNOLOGY LIMITED TO ACQUIRE ALL  
THE ISSUED SHARES OF CTEH INC. (OTHER THAN THOSE OWNED  
AND/OR AGREED TO BE ACQUIRED BY TOMORROW EDUCATION  
TECHNOLOGY LIMITED AND PARTIES ACTING  
IN CONCERT WITH IT)**

**INTRODUCTION**

Reference is made to the Joint Announcement in relation to, among other things, the Sale and Purchase Agreement and the Share Offer.

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## LETTER FROM THE BOARD

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### **Sale and Purchase Agreement**

On 5 June 2021, the Company was informed by the First Vendor, the Second Vendor and the Third Vendor that the Offeror as the Purchaser, has entered into the Sale and Purchase Agreement with, among others, the Vendors as the Vendors, pursuant to which the Offeror agreed to acquire 270,000,000 Shares from the First Vendor, 90,000,000 Shares from the Second Vendor, and 540,000,000 Shares from the Third Vendor, representing a total of 900,000,000 Shares (equivalent to 75.0% of the total issued share capital of the Company as at the date of the Joint Announcement) for a consideration of an aggregated amount of HK\$205 million, equivalent to approximately HK\$0.2278 per Sale Share, which was agreed between the Offeror and the Vendors after arm's length negotiations. There is no consideration, compensation or benefit in whatever form paid or to be paid by the Offeror or any parties acting in concert with it to the Vendors, their respective ultimate beneficial owners and/or any parties acting in concert with any of them in connection with the sale and purchase of the Sale Shares, save for the consideration to be paid by the Offeror to the Vendors.

Completion under the Sale and Purchase Agreement took place on 10 June 2021. Immediately after the Acquisitions and as at the Latest Practicable Date, the Offeror was interested in 900,000,000 Shares, representing 75.0% of the total issued share capital of the Company. The Offeror is therefore required to make a mandatory unconditional cash offer for all the issued Shares not already owned or agreed to be acquired by the Offeror and parties acting in concert with it pursuant to Rule 26.1 of the Takeovers Code.

### **Independent Board Committee and Independent Financial Adviser**

Pursuant to Rule 2.1 of the Takeovers Code, the Independent Board Committee was formed in accordance with Rule 2.8 of the Takeovers Code to advise and give a recommendation to the Independent Shareholders in respect of the Share Offer, as to whether the Share Offer is fair and reasonable and as to the acceptance of the Share Offer. Given that Dr. Kwok Chun Dennis Chu, the non-executive Director, who wholly-owns the Second Vendor and he is considered to have conflict of interest, the Independent Board Committee comprises of all the independent non-executive Directors, being Dr. Michael Edward Ricco, Mrs. Kitty Yuk Yee Yeung, and Mr. Sik Yuen Lau.

As disclosed in the Joint Announcement, Octal Capital Limited has been appointed, with approval of the Independent Board Committee, as the Independent Financial Adviser to advise the Independent Board Committee on the Share Offer.

Further details of the Share Offer are set out in the "Letter from CCBI" and Appendix I to this Composite Document of which this letter forms part, and in the accompanying Form of Acceptance and Transfer.

The purpose of this Composite Document, of which this letter forms part, is to provide you with, among other things, information relating to the Company and the Share Offer, the recommendation of the Independent Board Committee to the Independent Shareholders in respect of the terms of the Share Offer and as to the acceptance of the Share Offer, and the advice from the Independent Financial Adviser to the Independent Board Committee in relation to the Share Offer.

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## LETTER FROM THE BOARD

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The Independent Shareholders are strongly advised to carefully consider the information contained in the “Letter from CCBI”, the “Letter from the Independent Board Committee”, the “Letter from the Independent Financial Adviser” and the appendices as set out in this Composite Document and the accompanying Form of Acceptance and Transfer and to consult their professional advisers if in doubt before reaching a decision as to whether or not to accept the Share Offer.

### THE SHARE OFFER

#### Principal terms of the Share Offer

CCBI is making the Share Offer for and on behalf of the Offeror, to acquire the Offer Shares on the terms set out in this Composite Document in accordance with the Takeovers Code on the following basis:

For each Offer Share . . . . . HK\$ 0.2278 in cash

The Share Offer is not conditional upon any minimum level of acceptance of the Share Offer and is unconditional in all aspects. The Share Offer will close on Monday, 19 July 2021 unless the Offeror revises or extends the Share Offer in accordance with the Takeovers Code.

The Share Offer Price of HK\$0.2278 for each Offer Share is the same as the price paid for each Sale Share by the Offeror to the Vendors pursuant to the Sale and Purchase Agreement.

Based on the Share Offer Price of HK\$0.2278 for each Offer Share and 1,200,000,000 Shares in issue as at the Latest Practicable Date, the entire issued share capital of the Company is valued at approximately HK\$273,340,000.

The Share Offer will extend to all Shares in issue on the date on which the Share Offer is made, being the date of despatch of this Composite Document, other than those Shares already held by the Offeror and persons acting in concert with it.

As at the Latest Practicable Date, there were 1,200,000,000 Shares in issue and the Offeror and parties acting in concert with it held in aggregate 900,000,000 Shares, representing 75.0% of the total issued share capital of the Company, and the Company does not have any outstanding options, derivatives, warrants or securities which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

The Offeror intends to maintain the listing of the Shares on the Stock Exchange after the close of the Share Offer.

The Offer Shares to be acquired under the Share Offer shall be fully paid and free and clear of any lien and together with all rights attaching to them, including all rights to any dividend or other distribution declared, made or paid on or after the date on which the Share Offer is made, being the date of the despatch of the Composite Document. The Company does not have any dividend and/or other distribution and/or other return of capital that is announced, declared or paid in respect of the

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## LETTER FROM THE BOARD

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Shares as at the date of the despatch of the Composite Document. The Company also has no plan to make any distribution or declare dividends before the close of the Share Offer. The Offer is unconditional in all aspects. Acceptance of the Share Offer would be irrevocable and would not be capable of being withdrawn, subject to the provision of the Takeovers Code.

Your attention is drawn to the further details of the Share Offer, including the procedures for acceptance of the offer, settlement and acceptance period, as set out in Appendix I to this Composite Document and the accompanying Form of Acceptance and Transfer.

### INFORMATION OF THE COMPANY AND THE GROUP

The Company was incorporated in Ontario, Canada and continued in the Cayman Islands with limited liability and its issued shares have been listed on Main Board of the Stock Exchange since 28 June 2018.

The principal activity of the Company is investment holding. The Group is engaged in air ticket distribution, travel business process management and travel products and services in Canada and the United States.

### Financial information of the Group

Set out below is a summary of the audited financial information of the Group for each of the two financial years ended 31 December 2019 and 2020 as extracted from the annual report of the Company for the year ended 31 December 2020:

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2019</b>	<b>2020</b>
	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>
	<i>(Audited)</i>	<i>(Audited)</i>
<b>Revenue</b>	112,141	51,605
<b>Profit/(loss) before taxation</b>	15,515	(54,116)
<b>Profit/(loss) for the year</b>	10,747	(48,061)
	<b>As at 31 December</b>	
	<b>2019</b>	<b>2020</b>
	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>
	<i>(Audited)</i>	<i>(Audited)</i>
<b>Total assets</b>	252,574	139,460
<b>Total liabilities</b>	85,428	25,595
<b>Net assets</b>	167,146	113,865

Your attention is drawn to the further financial information of the Group set out in Appendix II to this Composite Document as required under the Takeovers Code.

## LETTER FROM THE BOARD

### Shareholding structure of the Company before and after the Completion

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$9,000,000 divided into 90,000,000,000 ordinary shares, and there are 1,200,000,000 Shares in issue. The Company does not have any outstanding options, derivatives, warrants or convertible rights affecting the Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or convertible rights.

The following table sets out the shareholding structure of the Company (i) immediately before Completion; and (ii) immediately after Completion and as at the Latest Practicable Date:

Shareholders	Nature of Interest	Immediately before Completion		Immediately after Completion and as at the Latest Practicable Date	
		No. of Shares	Approximate %	No. of Shares	Approximate %
The Offeror	Beneficial owner	—	—	900,000,000	75.0%
The First Vendor (Note 1)	Beneficial owner	270,000,000	22.5%	—	—
Ms. Tsu (Note 1)	Interest of a controlled corporation	270,000,000	22.5%	—	—
The Second Vendor (Note 2)	Beneficial owner	90,000,000	7.5%	—	—
Dr. Chu (Note 2)	Interest of a controlled corporation	90,000,000	7.5%	—	—
The Third Vendor (Note 3)	Beneficial owner	540,000,000	45.0%	—	—
Mrs. Tsang (Note 3)	Beneficial owner	540,000,000	45.0%	—	—
Public Shareholders	Beneficial owner	300,000,000	25.0%	300,000,000	25.0%
Total		1,200,000,000	100.0%	1,200,000,000	100.0%

Notes:

Note 1: The First Vendor is indirectly wholly-owned by Ms. Annie Shuk Fong Tsu (“Ms. Tsu”). By virtue of the SFO, Ms. Tsu is deemed to be interested in the Shares held by the First Vendor.

Note 2: The Second Vendor is indirectly wholly-owned by Dr. Kwok Chun Dennis Chu (“Dr. Chu”). By virtue of the SFO, Dr. Chu is deemed to be interested in the Shares held by the Second Vendor.

Note 3: The Third Vendor is beneficially and wholly-owned by Rita Tsang Group Holdings Inc., which is in turn controlled by Mrs. Rita Pik Fong Tsang (“Mrs. Tsang”), where Mrs. Tsang is entitled to exercise 90.9% of its voting rights. By virtue of the SFO, Mrs. Tsang is deemed to be interested in the Shares held by the Third Vendor.

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## LETTER FROM THE BOARD

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For further details of the financial and general information of the Group, please refer to Appendix II and Appendix III to this Composite Document. You are advised to read the “Letter from the Independent Financial Adviser” in this Composite Document in relation to the implications of the Share Offer.

### INFORMATION OF THE OFFEROR AND ITS INTENTIONS REGARDING THE GROUP

Your attention is drawn to the paragraphs headed “Information on the Offeror” and “Intention of the Offeror in relation to the Group” in the “Letter from CCBI” as set out on page 12 of this Composite Document. The Board is aware of the intentions of the Offeror regarding the Group and is willing to render reasonable co-operation with the Offeror which is in the interests of the Company and the Independent Shareholders as a whole. The Board is aware that: 1) the Offeror intends to continue the existing business of the Company and has no intention to dispose of the Company’s businesses immediately after completion of the Share Offer but it will, following the closing of the Share Offer, conduct a detailed review of the operations of the existing business and asset base and broaden its income stream; 2) during the Offer Period, each of the Company and the Offeror has no intention and no anticipation to further expand and/or divest the existing businesses of the Company should appropriate opportunities arise; and 3) as of the Latest Practicable Date, the Offeror has no plan of injecting any of its assets into the Company (but any proposed injection of assets in the future will be made in compliance with the Listing Rules) or redeploying the employees and fixed assets of the Company other than in the ordinary course of business. However, the Board is also aware that the Offeror reserves the right to make any changes that it deems necessary or appropriate to the Group’s businesses and operations to optimise the value of the Group.

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

Pursuant to the Listing Rules, if, at the closing of the Share Offer, less than the minimum prescribed percentage applicable to the Company, being 25.0% of the issued share capital of the Company, are held by the public or if the Stock Exchange believes that:

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

it will consider exercising its discretion to suspend dealings in the Shares. Therefore, it should be noted that upon closing of the Share Offer, there may be insufficient public float of the Shares and the trading in the Shares may be suspended until sufficient public float exists for the Shares. Each of the directors of the Offeror and the new directors to be appointed to the Board will joint and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares after the close of the Share Offer. The Board noted from the “Letter from CCBI” in this Composite Document that the Offeror intends the Company to remain listed on the Stock Exchange after the closing of the Share Offer. The Company and the Offeror will issue a separate announcement as and when necessary regarding the decision of any of such steps.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

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## LETTER FROM THE BOARD

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### RECOMMENDATION

The Independent Board Committee, comprising all the independent non-executive Directors, being Dr. Michael Edward Ricco, Mrs. Kitty Yuk Yee Yeung, and Mr. Sik Yuen Lau has been formed to advise the Independent Shareholders as to whether the terms of the Share Offer are fair and reasonable and as to acceptance of the Share Offer.

Your attention is drawn to the (i) “Letter from the Independent Board Committee” as set out on pages 26 to 27 of this Composite Document; and (ii) the “Letter from the Independent Financial Adviser” as set out on pages 28 to 46 of this Composite Document containing their respective advice and recommendation in respect of the Share Offer and principal factors considered by them in arriving at their advice and recommendation. The Independent Shareholders are recommended to read these letters carefully before taking any action in respect of the Share Offer.

In considering what actions to take in connection with the Share Offer, you should also consider your own tax positions, if any, and in case of any doubt, consult your own professional advisers.

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information contained in the appendices to this Composite Document which form part of this Composite Document. You are also recommended to read carefully Appendix I to this Composite Document together with the accompanying Form of Acceptance and Transfer for further details in respect of the procedures for acceptance of the Share Offer.

Yours faithfully,  
For and on behalf of the Board of  
**CTEH INC.**  
加達控股有限公司  
**Mrs. Rita Pik Fong Tsang**  
*Chairperson and executive Director*

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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*Set out below is the full text of the letter of recommendation from the Independent Board Committee in respect of the Share Offer for inclusion in this Composite Document.*



**CTEH INC.**

**加達控股有限公司**

*(Incorporated in Ontario, Canada and continued in the Cayman Islands with limited liability)*

**(Stock Code: 1620)**

28 June 2021

*To the Independent Shareholders:*

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY  
CCB INTERNATIONAL CAPITAL LIMITED FOR AND ON BEHALF OF  
TOMORROW EDUCATION TECHNOLOGY LIMITED TO ACQUIRE ALL  
THE ISSUED SHARES OF CTEH INC. (OTHER THAN THOSE OWNED  
AND/OR AGREED TO BE ACQUIRED BY TOMORROW EDUCATION  
TECHNOLOGY LIMITED AND PARTIES ACTING  
IN CONCERT WITH IT)**

### **INTRODUCTION**

We refer to this Composite Document dated 28 June 2021 jointly issued by the Offeror and the Company of which this letter forms part. Terms used in this letter shall have the meanings as defined in the Composite Document unless the context requires otherwise.

We have been appointed by the Board to form the Independent Board Committee to advise the Independent Shareholders as to whether, in our opinion, the terms of the Share Offer are fair and reasonable so far as the Independent Shareholders are concerned and to make recommendation as to acceptance of the Share Offer.

Octal Capital Limited has been appointed as the Independent Financial Adviser with our approval to advise us in respect of the terms of the Share Offer and, in particular, whether the Share Offer is fair and reasonable so far as the Independent Shareholders are concerned, and to make recommendation as to acceptance of the Share Offer. Details of advice from Octal Capital Limited and the principal factors it has taken into consideration in arriving at its recommendations are set out in the "Letter from the Independent Financial Adviser" as set out on pages 28 to 46 of this Composite Document.



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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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Details of the Share Offer are set out in the “Letter from CCBI”, Appendix I to this Composite Document and the accompanying Form of Acceptance and Transfer.

### RECOMMENDATION

Having taken into account the terms of the Share Offer, the advice and recommendations of Octal Capital Limited and the principal factors taken into consideration by it in arriving at its opinion, we are of the opinion that the terms of the Share Offer are fair and reasonable so far as the Independent Shareholders are concerned. Therefore, we recommend the Independent Shareholders to accept the Share Offer. The Independent Shareholders should also consider carefully the terms of the Share Offer and the “Letter from the Independent Financial Adviser” as set out on pages 28 to 46 of this Composite Document and the additional information set out in the appendices to this Composite Document.

Independent Shareholders are reminded to carefully monitor the market price and liquidity of the Shares during the Offer Period and should, having regard to their own circumstances, consider selling their Shares in the open market during the Offer Period, where possible, rather than accepting the Share Offer, if the net proceeds from the sale of such Shares in the open market would exceed the net amount receivable under the Share Offer.

The Independent Shareholders are also reminded that the decision to realise or to hold their investment in the Shares is subject to individual circumstances and investment objectives and they should consider carefully the terms of the Share Offer. If in doubt, the Independent Shareholders should consult their own professional advisers for professional advice. Furthermore, the Independent Shareholders who wish to accept the Share Offer are recommended to read carefully the procedures for accepting the Share Offer as detailed in this Composite Document and the accompanying Form(s) of Acceptance and Transfer.

Yours faithfully,  
Independent Board Committee of  
**CTEH INC.**  
加達控股有限公司

**Dr. Michael Edward Ricco**  
*Independent*  
*non-executive director*

**Mrs. Kitty Yuk Yee Yeung**  
*Independent*  
*non-executive director*

**Mr. Sik Yuen Lau**  
*Independent*  
*non-executive director*

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*The following is the full text of a letter of advice from Octal Capital Limited to the Independent Board Committee in respect of the terms of the Share Offer which has been prepared for the purpose of incorporation in the Composite Document.*



Octal Capital Limited  
801-805, 8/F, Nan Fung Tower  
88 Connaught Road Central  
Hong Kong

*To the Independent Board Committee and the Independent Shareholders*

28 June 2021

Dear Sir or Madam,

**UNCONDITIONAL MANDATORY CASH OFFER BY  
CCB INTERNATIONAL CAPITAL LIMITED  
FOR AND ON BEHALF OF  
TOMORROW EDUCATION TECHNOLOGY LIMITED  
TO ACQUIRE ALL THE ISSUED SHARES IN THE COMPANY  
(OTHER THAN THOSE ALREADY OWNED AND/OR AGREED TO BE ACQUIRED  
BY TOMORROW EDUCATION TECHNOLOGY LIMITED AND/OR PARTIES  
ACTING IN CONCERT WITH IT)**

### 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 Share Offer. Details of the Share Offer are set out in the Composite Document, of which this letter forms a part. Terms used in this letter shall have the same meanings as those defined in the Composite Document unless the context otherwise requires.

Reference is made to the Joint Announcement in relation to, among other things, the Sale and Purchase Agreement and the Share Offer.

Pursuant to the Sale and Purchase Agreement, the First Vendor, the Second Vendor and the Third Vendor have conditionally agreed to sell, and the Offeror has conditionally agreed to acquire 270,000,000 Shares from the First Vendor, 90,000,000 Shares from the Second Vendor, and 540,000,000 Shares from the Third Vendor, respectively, representing a total of 900,000,000 Shares (equivalent to 75.0% of the total issued share capital of the Company as at the date of the Joint Announcement) for a consideration of an aggregated amount of HK\$205 million, equivalent to approximately HK\$0.2278 per Sale Share. Completion under the Sale and Purchase Agreement took place on 10 June 2021. Immediately after the Acquisitions and as at the Latest Practicable Date, the Offeror was interested in 900,000,000 Shares in aggregate, representing 75.0% of the total issued share capital of the Company.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Accordingly, pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make a mandatory unconditional cash offer for all the issued Shares not already owned or agreed to be acquired by the Offeror and parties acting in concert with it.

### INDEPENDENT BOARD COMMITTEE

Pursuant to Rule 2.1 of the Takeovers Code, the Independent Board Committee has been formed in accordance with Rule 2.8 of the Takeovers Code to advise and give a recommendation to the Independent Shareholders in respect of the Share Offer, as to whether the Share Offer is fair and reasonable and as to the acceptance of the Share Offer. Given that Dr. Kwok Chun Dennis Chu, the non-executive Director, who wholly-owns the Second Vendor and he is considered to have conflict of interest, the Independent Board Committee comprised of all the independent non-executive Directors, being Dr. Michael Edward Ricco, Mrs. Kitty Yuk Yee Yeung and Mr. Sik Yuen Lau.

We, Octal Capital Limited, have been appointed, with approval of the Independent Board Committee, as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Share Offer and in particular as to whether the Share Offer are fair and reasonable and as to the acceptance of the Share Offer. Our appointment has been approved by the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code.

During the last two years, there was no engagement between the Company or the Offeror and us. Apart from normal professional fees paid or payable to us in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Offeror or the Company or any party acting, or presumed to be acting, in concert with any of them. Therefore, we are considered eligible to give independent advice on the Share Offer under the requirement of the Listing Rules. As at the Latest Practicable Date, we are not in the same group as the financial or other professional advisers (including a stockbroker) to the Company, and we are not associated with the Offeror or the Company or any party acting, or presumed to be acting in concert with any of them and we had not had any connection, financial assistance or otherwise, with either the Offeror or the Company or the controlling shareholder(s) of either of them, and we are therefore considered independent and suitable to give independent advice to the Independent Board Committee and the Independent Shareholders pursuant to Rule 2.6 of the Takeovers Code.

### BASIS OF OUR OPINION

In formulating our opinion, we have relied on the information and facts supplied by the Company, and the opinions expressed by the Directors, and have assumed that the information and facts provided and opinions expressed by the Directors to us are true, accurate and complete in all material aspects. We have also relied on our discussion with the Board and/or the management of the Company, given in writing or orally, regarding the Company and the Share Offer, including the information and representations contained in the Composite Document. We have also assumed that all statements of belief, opinion and intention made by the Board and the management of the Company in the Composite Document were reasonably made after due enquiry. We consider that the information we have received is sufficient for us to reach our opinion and give the advice and recommendation set out in this letter. We have no reason to believe that any material information has been omitted or withheld, or doubt the truth or accuracy of the information provided. We have, however, not conducted any independent investigation into the business and affairs of the Group or any of their respective

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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associates or any party acting, or presumed to be acting, in concert with any of them, nor have we carried out any independent verification of the information supplied. We have also assumed that all representations contained or referred to in the Composite Document were true, accurate and complete in all material respects and not misleading or deceptive up to the time of the Latest Practicable Date, and there are no other matters the omission of which would make any statement herein or the Composite Document misleading.

As set out in the responsibility statement in Appendix III of the Composite Document, the Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Composite Document and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed by the Directors in the Composite Document have been arrived at after due and careful consideration and there are no other facts not contained in the Composite Document the omission of which would make any statement in the Composite Document misleading.

As set out in the responsibility statement in Appendix IV of the Composite Document, the directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in the Composite Document (other than the information relating to the Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Composite Document (other than the opinions expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in the Composite Document, the omission of which would make any statements in the Composite Document misleading.

Should there be any subsequent material changes which occur during the period from the date of the Composite Document up to the close of the Share Offer, we will notify the Independent Board Committee and the Independent Shareholders as soon as possible.

We have not considered the tax implications on the Independent Shareholders of their acceptances or non-acceptances of the Share Offer (as the case may be) since these are particular to their own individual circumstances. In particular, the Independent Shareholders who are resident outside Hong Kong or subject to overseas taxes or Hong Kong taxation on securities dealings should consider their own tax position with regard to the Share Offer and, if in any doubt, should consult their own professional advisers.

### **PRINCIPAL FACTORS TAKEN INTO CONSIDERATION ON THE SHARE OFFER**

In assessing the Share Offer and in giving our recommendations to the Independent Board Committee and the Independent Shareholders, we have taken into account the following principal factors and reasons:

#### **1. Background of the Share Offer**

As at the Latest Practicable Date, the Company has 1,200,000,000 Shares in issue. The Company does not have any outstanding options, derivatives, warrants or securities which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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CCBI, on behalf of the Offeror and in compliance with the Takeovers Code, is making the Share Offer to acquire all the Offer Shares on terms set out in the Composite Document in accordance with the Takeovers Code on the following basis:

For each Offer Share . . . . .HK\$0.2278 in cash

The Share Offer Price of HK\$0.2278 is equal to the price per Sale Share payable by the Offeror under the Sale and Purchase Agreement, which was determined by the Offeror after taking into account, among others, (i) the Company's historical share price performance and (ii) commercial assessment of the Company. The Share Offer Price will not be affected by the downward adjustment of the consideration, if any, as stipulated in the section headed "The Sale and Purchase Agreement — Downward Adjustment of the Consideration" in the Joint Announcement.

The Offer Shares to be acquired under the Share Offer shall be fully paid and free and clear of any lien and together with all rights attaching to them, including all rights to any dividend or other distribution declared, made or paid on or after the date on which the Share Offer is made, being the date of the despatch of the Composite Document.

As at the date of the despatch of the Composite Document, the Company does not have any dividend and/or other distribution and/or other return of capital that is announced, declared or paid in respect of the Shares. As advised by the Board, the Company has no plan to make any distribution or declare dividends before the close of the Share Offer.

The Share Offer will be unconditional in all respects and will not be conditional upon acceptances being received in respect of a minimum number of Shares or any other conditions.

### **2. Background of the Group**

The principal activity of the Company is an investment holding company. The Group is engaged in air ticket distribution, travel business process management and travel products and services in Canada and the United States.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### 3. Historical financial performance and prospects of the Group

#### *Financial information of the Group*

Set out below is a summary of the consolidated financial information of the Group for the years ended 31 December 2018 (“FY2018”), 2019 (“FY2019”) and 2020 (“FY2020”) as extracted from the annual reports of the Group for FY2019 (the “2019 Annual Report”) and for FY2020 (the “2020 Annual Report”) respectively:

	<b>Year ended 31 December</b>		
	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
- Air ticket distribution	94,598	71,604	21,380
- Travel business process management	25,562	25,947	28,118
- Travel products and services	29,021	14,590	2,107
<b>Total revenue</b>	<b>149,181</b>	<b>112,141</b>	<b>51,605</b>
<b>Gross profit</b>	<b>103,688</b>	<b>80,349</b>	<b>23,581</b>
<b>(Loss) / Profit for the year</b>	<b>11,095</b>	<b>10,747</b>	<b>(48,061)</b>

#### *FY2019 as compared to FY2018*

The Group derived its revenue mainly from the air ticket distribution segment which accounted for approximately 63.9% of total revenue for FY2019. The Group recorded total revenue of approximately HK\$112.1 million for FY2019, representing a decline of approximately HK\$37.0 million or 24.8% as compared to that for FY2018. According to the 2019 Annual Report, such decrease in revenue was primarily attributable to (i) decline in revenue generated from air ticket distribution of approximately HK\$23.0 million which is mainly due to decrease in the transaction volume and gross sales proceeds generated from air tickets sales as a result of declining international travel between North America and Asia due to the trade war between USA and the PRC; and (ii) decrease in revenue derived from travel products and services segment of approximately HK\$14.4 million for FY2019 because of the decreased sales volume of package tours. The gross profit of the Company decreased by approximately HK\$23.4 million or 22.6%, from approximately HK\$103.7 million for FY2018 to approximately HK\$80.3 million for FY2019 as a result of the decrease in gross profit generated by the air ticket distribution segment. As a result of the foregoing, profit for the year was approximately HK\$10.7 million for FY2019, which represented a slight decline of approximately HK\$0.4 million or approximately 3.6% from approximately HK\$11.1 million for FY2018.

#### *FY2020 as compared to FY2019*

The Group’s financial performance has significantly deteriorated in FY2020 due to the COVID-19 pandemic. Travel business process management segment has become the main revenue driver of the Company as air ticket distribution segment was affected adversely as a result of the COVID-19 pandemic. The Group recorded total revenue of approximately HK\$51.6 million for

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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FY2020, representing a substantial decrease of approximately HK\$60.5 million or 54.0% as compared to that for FY2019. The decline in revenue was primarily attributable to (i) the decline in revenue from air ticket distribution segment as a result of the decrease in the transaction volume and gross sales proceeds generated from air tickets sales as a result of declining international travel due to the COVID-19 pandemic and travel restrictions such as entry restrictions, visa suspensions and quarantine measures imposed by different countries; and (ii) decrease in revenue from travel products and services segment which was mainly attributable to the decreased sales volume of package tours. The gross profit also exhibited a decline of approximately HK\$56.7 million from HK\$80.3 million in FY2019 to approximately HK\$23.6 million in FY2020 due to the decrease in the gross profit margin in air ticket distribution segment and travel business process management segment. As a result, the Company recorded a net loss of approximately HK\$48.1 million for FY2020.

Set out below is a summary of the consolidated financial position of the Group as at 31 December 2020 as extracted from the 2020 Annual Report:

	<b>As at</b> <b>31 December 2020</b> <i>(audited)</i> <i>HK\$'000</i>
Prepayment, deposits and other receivables	49,206
Cash and cash equivalents	30,095
Others	12,283
Current assets	91,584
Deferred income tax assets	22,052
Interests in joint ventures	10,681
Others	15,143
Non-current assets	47,876
<b>Total assets</b>	<b>139,460</b>
Current liabilities	18,930
Non-current liabilities	6,665
<b>Total liabilities</b>	<b>25,595</b>
<b>Net assets</b>	<b><u>113,865</u></b>

As at 31 December 2020, the total assets of the Group mainly comprise of cash and cash equivalents, and prepayment, deposits other receivables and in aggregate amounted to approximately HK\$79.3 million, which represented approximately 56.9% of the total assets. The total liabilities of the Group mainly comprise of accruals and other payables of approximately HK\$15.8 million, which represented approximately 61.6% of the total liabilities. As a result, the Group recorded net assets of approximately HK\$113.9 million as at 31 December 2020.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### *Business prospects of the Group*

At the beginning of 2020, the development of the global travel market has been disrupted by the COVID-19 pandemic, mainly due to the travel restrictions. With reference to the latest industry fact sheet published by International Air Transport Association in April 2021, traffic volume, in term of scheduled passenger numbers, exhibited a drastic decline from approximately 4,543 million in 2019 to approximately 1,763 million in 2020, representing a year-on-year decrease of approximately 61.2%. As indicated by the dampening passenger flow, the pandemic drove a significant decline in travel demand resulting in reservation cancelations and reduced new orders, and therefore, the whole travel and tourism industry has been significantly and negatively impacted.

Since the beginning of 2021, a few waves of COVID-19 infections have emerged in various regions over the globe. In the light of that, many precautionary measures, including varying levels of travel restrictions and encouragement of reduced travel, were reinstated around the world during the first quarter of 2021. These travel restrictions continue to reduce the public demand for travel and tourism, and are expected to materially and adversely affect the travel and tourism industry in 2021 and potentially beyond.

As stated in the 2020 Annual Report, the Directors expected that the COVID-19 pandemic continues to impact on the airline, travel and tourism industry worldwide afterwards until widespread vaccinations. The prospect of travel and tourism industry cannot be predicted as it depends on not only the extent to which COVID-19 pandemic is in control, but also the progress of economic recovery among countries. The Group has adopted a series of measures to control costs and to enhance cash flow and operational efficiency, and will closely monitor the trend of the global environment and maintain pragmatic approach for its business.

Based on the above, we concur with the Directors' view that the overall outlook of the industry and the future development of the Group is still uncertain and the impact towards the travel and tourism industry will be hinged on future development of the pandemic, and that the turnaround of the Group from the loss-making position is uncertain in the near future.

#### **4. Information of the Offeror**

The Offeror is an investment holding company incorporated in the British Virgin Islands with limited liability on 9 April 2020, the shares of which are owned as to 70% by Tomorrow Education Holding Limited (which is wholly-owned by Mr. Liu Xue Bin, a non-resident of Canada) and 30% by Tomorrow Education Investment Limited (which is wholly-owned by Ms. Kou Chung Yin Mariana, a non-resident of Canada).

As at the Latest Practicable Date, the Offeror and parties acting in concert with it are interested in 900,000,000 Shares, representing 75.0% of the total issued share capital of the Company.



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### 5. Principal terms of the Share Offer

#### (a) *Comparison of Share Offer Price*

The Share Offer Price of HK\$0.2278 per Offer Share is equal to the price per Sale Share payable by the Offeror under the Sale and Purchase Agreement and represents:

- (i) a premium of approximately 18.65% over the closing price of HK\$0.192 per Share as quoted on the Stock Exchange on 4 June 2021, being the Last Trading Day;
- (ii) a premium of approximately 9.10% over the average closing price of approximately HK\$0.2088 per Share based on the daily closing prices as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;
- (iii) a premium of approximately 4.83% over the average closing price of approximately HK\$0.2173 per Share based on the daily closing prices as quoted on the Stock Exchange for the ten consecutive trading days immediately prior to and including the Last Trading Day;
- (iv) a premium of approximately 3.99% over the average closing price of approximately HK\$0.2191 per Share based on the daily closing prices as quoted on the Stock Exchange for the thirty consecutive trading days immediately prior to and including the Last Trading Day;
- (v) a discount of approximately 4.29% to the closing price of HK\$0.238 per Share as quoted on the Stock Exchange as at the Latest Practicable Date; and
- (vi) a premium of approximately 140.07% over the audited consolidated net asset value attributable to the Shareholders of approximately HK\$0.0949 per Share as at 31 December 2020, calculated by dividing the Group's audited consolidated net assets attributable to the Shareholders of approximately HK\$113,865,000 as at 31 December 2020 by 1,200,000,000 Shares in issue as at the Latest Practicable Date.

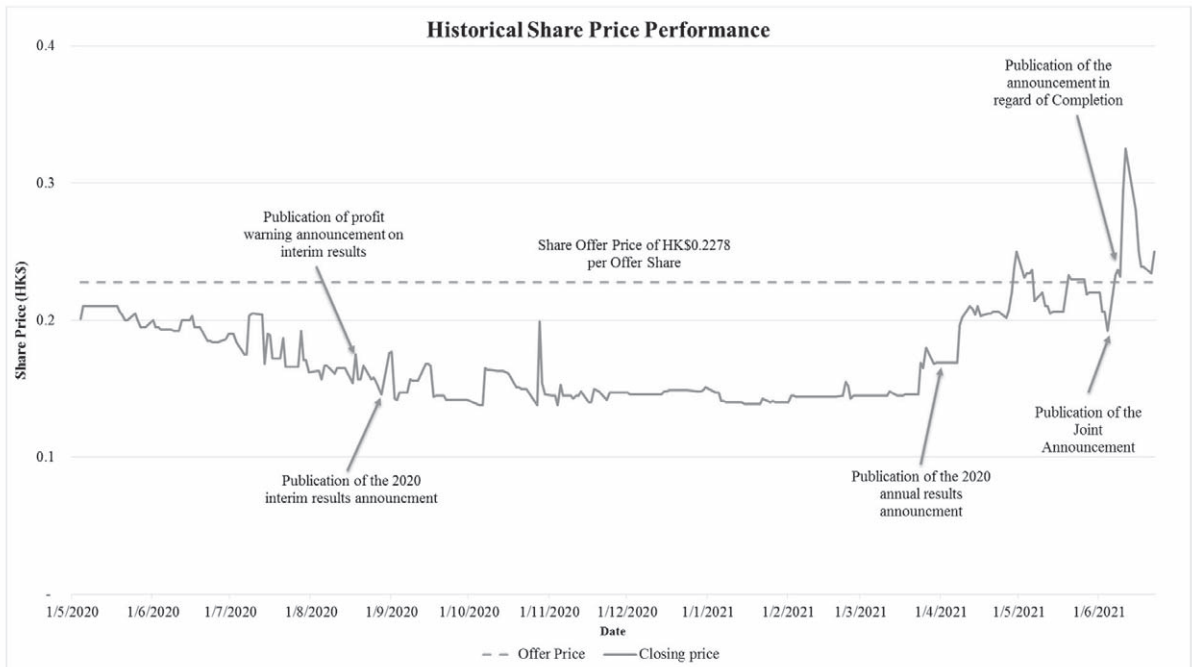
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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### (b) *Historical price performance of the Shares*

We have analysed the movement of the daily closing prices of the Shares quoted on the Stock Exchange, during the period commencing from 1 May 2020 up to the Latest Practicable Date (the “**Review Period**”). We consider that the duration of the Review Period of approximately one year would be a reasonable and sufficient period to illustrate the recent closing price movement of the Shares. The daily closing prices of the Shares are illustrated as follows:



Source: The website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk))

With reference to the chart above, the closing price of the Shares ranged from HK\$0.138 per Share to HK\$0.325 per Share during the Review Period. The average closing price of the Shares for the Review Period was approximately HK\$0.174 per Share. The Shares have been traded below the Share Offer Price for 260 trading days out of the total 285 trading days (representing approximately 91.2% of the total number of trading days) during the Review Period. The Share Offer Price represents a premium of approximately 31.0% over the average closing price of approximately HK\$0.174 per Share during such period.

Subsequent to the publication of the profit warning announcement on interim results of the Company for the six months ended 30 June 2020, the closing price of the Shares exhibited a decreasing trend from late June to August 2020 from the highest level of HK\$0.205 per Share on 9 and 10 July 2020 to the lowest level of HK\$0.146 per Share on 28 August 2020. The closing prices of the Shares rebounded back to HK\$0.177 per Share on 1 September 2020 after the interim results announcement was made on 28 August 2020. The closing price of Shares has been subsequently

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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fluctuated within the range from HK\$0.138 per Share to HK\$0.199 per Share from September 2020 to March 2021. After the publication of the 2020 annual results announcement in March 2021, the closing price of the Share exhibited an increasing trend with the closing price of the Shares increased to the highest level of HK\$0.25 per Share on 30 April 2021.

After the publication of the Joint Announcement on 4 June 2021 and the announcement jointly published by the Offeror and the Company on 10 June 2021 in relation to the completion of the Sale and Purchase Agreement, the closing price of the Shares bounced from HK\$0.233 per Share on 7 June 2021 to HK\$0.325 per Share on 11 June 2021, and subsequently dropped to the range between HK\$0.234 per Share and HK\$0.28 per Share during the period from 15 June 2021 to the Latest Practicable Date. During the period from 7 June 2021, being the first trading day after the publication of the Joint Announcement up to the Latest Practicable Date (the “**Post-announcement Review Period**”), the average closing price of the Shares is approximately HK\$0.252 per Share. The Share Offer Price represents a discount of approximately 9.7% to the average closing price during the Post-announcement Review Period. As advised by the Directors, the Company is not aware of any specific reason for the fluctuation of the closing price of the Shares during the Post-announcement Review Period. From the above observations, we consider that the increase in the closing price of the Shares may have reflected the market’s speculation on the Share Offer and may not be sustained during and after the close of the Offer Period.

Shareholders should note that the information set out above is not an indication of the future performance of the Shares and that the price of the Shares may increase or decrease from its closing prices as at the Latest Practicable Date.

### *(c) Liquidity of the Shares*

The table below sets out the trading volume of the Shares from 1 May 2020 up to the Last Trading Day (the “**Pre-announcement Review Period**”) and the Post-announcement Review Period:

Month/Period	Total volume of the Shares traded	Number of trading days	Average daily trading volume <i>(Note 1)</i>	Approximately % of average daily trading volume to the then total number of issued Shares as at the end of the period/month <i>(Note 3)</i>	Approximately % of average daily trading volume to the then total number of issued Shares held by the public as at the end of the period/month <i>(Note 4)</i>
<b><i>Pre-announcement Review Period</i></b>					
<b>2020</b>					
May	8,300,000	20	415,000	0.035%	0.138%
June	2,420,000	21	115,238	0.010%	0.038%
July	1,990,000	22	90,455	0.008%	0.030%
August	9,280,000	21	441,905	0.037%	0.147%

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<b>Month/Period</b>	<b>Total volume of the Shares traded</b>	<b>Number of trading days</b>	<b>Average daily trading volume <i>(Note 1)</i></b>	<b>Approximately % of average daily trading volume to the then total number of issued Shares as at the end of the period/month <i>(Note 3)</i></b>	<b>Approximately % of average daily trading volume to the then total number of issued Shares held by the public as at the end of the period/month <i>(Note 4)</i></b>
September	3,455,000	22	157,045	0.013%	0.052%
October	7,220,000	18	401,111	0.033%	0.134%
November	10,530,000	21	501,429	0.042%	0.167%
December	3,580,000	22	162,727	0.014%	0.054%
<b>2021</b>					
January	1,310,000	20	65,500	0.005%	0.022%
February	1,650,000	18	91,667	0.008%	0.031%
March	11,800,000	23	513,043	0.043%	0.171%
April	16,780,000	19	883,158	0.074%	0.294%
May	3,520,000	20	176,000	0.015%	0.059%
June (up to the Last Trading Day)	870,000	4	217,500	0.018%	0.073%
<b><i>Post-announcement Review Period</i></b>					
June (from 7 June 2021 up to the Latest Practicable Date)	1,206,438,820	14	86,174,201	7.181%	28.725%

*Source: The website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk))*

*Notes:*

1. Average daily trading volume is calculated by dividing the total trading volume of the Shares for the month/period by the number of trading days during the month/period.
2. The number of the issued Shares and public float have remained unchanged throughout the Review Period, where the number of the issued Shares is 1,200,000,000 and public float is 300,000,000 Shares.
3. The calculation is based on the average daily trading volumes of the Shares divided by the total issued share capital of the Company at the end of each month or as at the Latest Practicable Date, as applicable.
4. The calculation is based on the average daily trading volumes of the Shares divided by the total issued share capital of the Company held by the public at the end of each month or as at the Latest Practicable Date, as applicable.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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The trading of the Shares was relatively inactive prior to the publication of the Joint Announcement. The average daily trading volume for the respective month or period during the Pre-announcement Review Period ranged from approximately 65,500 Shares to approximately 883,158 Shares, representing approximately 0.022% to 0.294% of the total number of Shares held by the public.

During the Post-announcement Review Period, we noted that there was a material increase in trading volume of the Share, representing approximately 7.181% of the total issued Shares and approximately 28.725% of the total number of Shares held by the public. The increase in the trading volume is mainly attributable to the completion of the Sale and Purchase Agreement involving the transfer of 900,000,000 Shares on 10 June 2021.

Taking into consideration that the trading volume of the Shares was thin in general during the Pre-announcement Review Period, it is uncertain that the overall liquidity of the Shares could be maintained in the near future and that there would be sufficient liquidity in the Shares for the Independent Shareholders to dispose of a significant number of Shares in the open market, especially those with large volume of Shares, without exerting a downward pressure on the Share price. The Share Offer provides an exit alternative for the Independent Shareholders who would like to realise their investments in the Shares, especially for those holding a large block of the Shares, at the Share Offer Price.

Nonetheless, Independent Shareholders should also take into account of their individual risk preference and tolerance level before making any investment decision in relation to the Shares. If any Independent Shareholders who, after reading through the Composite Document and this letter, would like to realise their investments in the Shares are able to dispose of their Shares in the open market and/or identify potential purchaser(s) to acquire for their Shares at a price higher than the Share Offer Price and the net proceeds from the sale of their Shares would exceed the net amount receivable under the Share Offer, those Independent Shareholders may consider not accepting the Share Offer but selling their Shares in the open market and/or to such potential purchaser(s) (either in all or in part), as they wish to do so and as they think fit having regard to their own circumstances together with the relevant risks and uncertainties based on their individual risk preference and tolerance level.

### **6. Market comparable analysis**

To evaluate the fairness and reasonableness of the Share Offer Price, we have attempted to compare the Share Offer Price against the market valuation of other comparable companies in the same industry using the commonly adopted comparison benchmarks in the evaluation of a company, namely the price-to-earnings ratio and price-to-book ratio.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Having considered (i) the entire revenue of the Group for the year ended 31 December 2020 was generated from air ticket distribution, travel business process management and travel products and services; and (ii) the implied market capitalisation of the Company was approximately HK\$273.4 million based on the Share Offer Price and 1,200,000,000 Shares as the Last Trading Day, we have tried to select the companies listed on the Stock Exchange that (i) are principally engaged in the provision of travel products and services which contributed over 50% of the revenue; and (ii) have a market capitalization of less than HK\$1 billion as at the Last Trading Day. Based on the above selection criteria, we have identified 6 companies (the “**Comparable Company(ies)**”).

However, as the Group and all of the Comparable Companies are loss-making in their latest financial year, the price-to-earnings analysis are not applicable. Moreover, having considered the asset-light characteristic of the Group, the price-to-book analysis is not a fair analysis to assess the Group’s valuation. As such, we conducted the below analysis to assess the reasonableness of the Share Offer Price.

We have therefore attempted to compare the Share Offer Price with the offer prices of other similar transactions. Having considered that (i) the Group is principally engaged in provision of travel products and services; and (ii) the implied market capitalisation of the Group was approximately HK\$273.4 million based on the Share Offer Price and the number of issued Shares as the Last Trading Day, we have identified companies listed on the Stock Exchange based on the following selection criteria, which are (i) having announced mandatory general offer during the period from 1 December 2020 (being approximately six months prior the Last Trading Day) and up to the Latest Practicable Date; and (ii) having implied market capitalisation of less than HK\$1 billion based on corresponding offer prices and number of issued shares as at dates of respective offer announcements.

We have identified 13 listed companies on the Stock Exchange based on the above selection criteria (the “**Comparable Offer(s)**”), which represent an exhaustive list of comparable companies based on the aforementioned criteria. Though the listed companies under the Comparable Offers have different principal activities, market capitalisation, profitability and financial position as compared to those of the Company, we are of the view that the Comparable Offers provides a general pricing trend of recent general offer transactions in the past six months.

# LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Company name (stock code)	Announcement date	Offer price (HK\$)	Implied market capitalisation based on the offer price ( <i>Note 1</i> ) (HK\$ million)	Implied price-to-book ratio based on the offer price ( <i>Note 2</i> ) (%)	Premium/ (discount) of offer price over/ (to) the closing price of the last trading day (as defined in the corresponding Comparable Offer) (%)	Premium/ (discount) of offer price over/ (to) the closing price of the last five consecutive trading days up to and including the last trading day (as defined in the corresponding Comparable Offer) (%)	Premium/ (discount) of offer price over/ (to) the closing price of the last ten consecutive trading days up to and including the last trading day (as defined in the corresponding Comparable Offer) (%)	Premium/ (discount) of offer price over/ (to) the closing price of the last thirty consecutive trading days up to and including the last trading day (as defined in the corresponding Comparable Offer) (%)
Fullwealth Construction (1034)	2 December 2020	0.125	200.0	1.4	(40.5)	(38.7)	(36.6)	(33.9)
BCI Group (8412)	17 December 2020	0.08	76.8	N/A ( <i>Note 3</i> )	(55.1)	(55.1)	(55.1)	(55.1)
Cash Financial Services (510)	31 December 2020	0.75	182.0	0.4	7.1	10.6	21.0	30.7
Great Wall Belt & Road (524)	21 January 2021	0.1687	177.2	5.5	(30.6)	(37.7)	(45.9)	(45.1)
Loto Interactive (8198)	28 January 2021	0.75	284.3	1.0	8.7	6.5	6.7	7.1
Creative Enterprise (3992)	8 March 2021	1.456	728.0	2.3	(5.5)	3.0	4.0	3.3
HKE (1726)	9 April 2021	0.188	150.4	4.6	(27.7)	(26.6)	(25.5)	(17.9)
MEIGU Technology (8349)	15 April 2021	0.2	80.0	1.1	33.3	(66.3)	(66.9)	(67.7)
Eternity Technology (1725)	22 April 2021	2	600.0	2.0	(45.9)	(29.4)	(17.7)	(17.0)
LKS Holding Group (1867)	27 April 2021	0.22	246.4	2.0	83.3	73.8	82.4	93.5
Eagle Legend Asia (936)	28 April 2021	0.45	477.0	3.8	(21.1)	(17.6)	(16.8)	(12.5)
Speed Apparel (3860)	5 May 2021	0.988	494.0	3.8	(45.1)	(36.6)	(36.2)	(15.4)
TOMO (6928)	8 June 2021	0.5667	255.0	1.7	(80.1)	(80.7)	(77.6)	(64.3)
The Company		0.2278	Maximum Minimum Median Average	5.5 0.4 2.0 2.5 2.4	83.3 (80.1) (27.7) (16.8) 18.7	73.8 (80.7) (29.4) (22.7) 9.1	82.4 (77.6) (25.5) (20.3) 4.8	93.5 (67.7) (17.0) (14.9) 4.0

Source: The website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)).

Note:

- The calculation of implied market capitalisation is based on the offer price multiplied by the number of issues shares of the company as at the date of respective offer announcement of the Comparable Offers.
- The calculation of implied price-to-book ratio is based on the implied market capitalization divided by the net assets attributable to shareholders of respective companies extracted from the latest annual/interim report.
- BCI Group Holdings Limited recorded net liabilities attributable to shareholders of the company as at 31 May 2020, being the record date of the latest financial year. As such, the implied price-to-book ratio is not applicable.

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The Share Offer Price represents a premium of approximately 18.7%, 9.1%, 4.8% and 4.0%, over the closing price of the Shares on the Last Trading Day and the average closing prices for the last five, last ten and last thirty consecutive trading days prior to and including the Last Trading Day, respectively. Such levels of premium (i) fall within those range of the Comparable Offers; and (ii) are higher than the average and median of those of the Comparable Offers.

### **7. Other considerations**

#### **(a) Intention of the Offeror in relation to the Group**

The Offeror intends to continue the existing business of the Company and has no intention to dispose of the Company's businesses immediately after completion of the Share Offer. The Offeror will, following the closing of the Share Offer, conduct a detailed review of the operations of the existing business and asset base and broaden its income stream. Each of the Company and the Offeror confirms that, during the Offer Period, there is no intention and no anticipation to further expand and/or divest the existing businesses of the Company should appropriate opportunities arise.

Given that the Group is a long-established air ticket consolidator, travel business process management provider and travel products and services provider, the Offeror expects that upon Completion, by leveraging the expertise and the existing business network of the Group in the sector of travel services, the Offeror and its ultimate beneficial owner, and the Group may all be benefited by fostering a long-term growth potential and create synergies through possible cooperation between the respective businesses of the Group, and the Offeror and its ultimate beneficial owner.

Regarding the proposed change of the composition of the Board, both the Offeror and the proposed Directors do not have relevant experience in any business similar to that of the Group. Nevertheless, in order to facilitate the operation of the existing business of the Group, the existing senior management members of the subsidiaries of the Group will be retained, and, furthermore, given the proposed Directors possess experiences in premium private education and real estate development, the Offeror believes that, by leveraging such experiences and their extensive business network, the customer base of the Group would be broadened and additional marketing channels for promoting the Group can be introduced. Also, given the proposed Directors share diverse background, including real estate, education, consumer products, corporate finances and financial services, as well as their hands-on experience in enterprise management, it is believed that the proposed Directors will enhance the Group's ability in exploring further business opportunities and strengthen the corporate governance of the Group.



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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As of the Latest Practicable Date, the Offeror has no plan of injecting any of its assets into the Company (but any proposed injection of assets in the future will be made in compliance with the Listing Rules) or redeploying the employees and fixed assets of the Company other than in the ordinary course of business. The Offeror also intends to continue to employ the employees of the Group after the completion of the Share Offer. However, the Offeror reserves the right to make any changes that it deems necessary or appropriate to the Group's businesses and operations to optimise the value of the Group.

### **(b) Proposed change of the composition of the Board**

The Board is currently made up of two executive Directors, one non-executive Director and three independent non-executive Directors.

All of the existing Directors have tendered resignation to take effect from a date which is no earlier than such date as permitted under Rule 7 of the Takeovers Code (i.e. after the close of the Offer).

The Offeror has nominated (i) Mr. Liu and Ms. Kou Chung Yin Mariana as the new executive directors of the Board, (ii) Mr. Liu Jiefeng as the new non-executive director of the Board, (iii) Mr. Fong Wai Bun Benny, Ms. Suen Yin Wah Chloe and Ms. Kwan Ka Yee as the new independent non-executive directors of the Board. The appointment of the new directors will take effect on the close of the Offer. Any changes to the composition of the Board will be made in compliance with the Takeovers Code and the Listing Rules.

As referred to the biographies of the new directors to be nominated are set out in the paragraph headed "Proposed change of the Board Composition" in the "Letter from CCBI" in the Composite Document, we understood that Mr. Liu is currently the executive director of Wisdom Education International Holdings Company Limited (HKSE: 6068) and Ms. Kou participated in a number of IPOs in various business sectors. Moreover, the non-executive director and the three independent non-executive directors have working experience in various industries, including education, real estate development, retail of fashion apparels and accessories and asset management, as well as held various senior management positions in other private and listed companies. Having considered the industry background and working experience of the proposed Directors, we are of the view that the proposed Directors will enhance the corporate governance and the business development of the Group.

### **(c) Tax implication in relation to the change of Directors**

The Company was incorporated under the laws of the province of Ontario and continued and redomiciled under the laws of the Cayman Islands. The Company is generally considered as a resident of Canada for the purposes of the ITA so long as their "mind and management" also remain in Canada. As such, the Company is subject to Canadian taxation under the ITA in the same manner as any other corporation resident in Canada, including being subject to full Canadian taxation on worldwide income.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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As disclosed in the paragraph headed “Proposed change of the Board Composition” in the “Letter from CCBI” in the Composite Document, the Offeror intends to nominate new directors it is probable that the departure taxes may be triggered at the time of the change to the Board. When such changes are made, certain adverse “departure taxes” (the “**Departure and Deemed Disposition Taxes**”) will be imposed on the Company and not its shareholders.

The executive Directors of the Company advised that the Company should be liable to pay the Departure and Deemed Disposition Taxes of approximately CAD4.4 million (equivalent to approximately HK\$27.3 million based on an exchange rate of CAD 1 to HK\$6.23), which is an estimation only and may vary subject to the fair value and the financial result of the Company when the Departure and Deemed Disposition Taxes are triggered, as well as subject to the review by the relevant tax authorities.

The Departure and Deemed Disposition Taxes will be recognized as additional tax of the Group and will be reflected in the consolidated statement of comprehensive income of the Group in future. Shareholders should note that such amount is an estimation only and may vary subject to the fair value and the financial result of the Company when the Departure and Deemed Disposition Taxes are triggered.

After the change of the Directors, if the Departure and Deemed Disposition Taxes are imposed, such potential taxes may have negative impact on the financial result of the Group in future.

### **(d) Public float and maintaining the listing status of the Company**

The Offeror intends to maintain the listing of the Shares on the Stock Exchange after the close of the Share Offer. Pursuant to the Listing Rules, if, at the closing of the Share Offer, less than the minimum prescribed percentage applicable to the Company, being 25.0% of the issued share capital of the Company, are held by the public or if the Stock Exchange believes that:

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

the Stock Exchange will consider exercising its discretion to suspend dealing in the Shares. Therefore, it should be noted that upon closing of the Share Offer, there may be insufficient public float of the Shares and the trading in the Shares may be suspended until sufficient public float exists for the Shares. Each of the directors of the Offeror and the new directors to be appointed to the Board will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares after the close of the Share Offer.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### RECOMMENDATIONS

Having considered the following reasons:

- (i) as the COVID-19 pandemic is still evolving, the impact towards the travel and tourism industry will be hinged on future development of the pandemic, the prospect and the turnaround of financial performance of the Group from the loss-making position is uncertain in the near future;
- (ii) the Share Offer Price has been above the closing price of the Shares for 260 trading days out of 285 trading days during the Review Period and represents a premium of approximately 31.0% over the average closing price of the Shares of approximately HK\$0.174 during the Review Period;
- (iii) the premium of the Share Offer Price over the closing price of the Shares on the Last Trading Day and the average closing prices for last five, last ten and last thirty consecutive trading days immediately prior to and including the Last Trading Day are approximately 18.7%, 9.1%, 9.8% and 4.0%, respectively, which (i) fall within those range of the Comparable Offers; and (ii) are higher than the average and median of those of the Comparable Offers;
- (iv) the increase in the closing price of the Shares during the Post-announcement Review Period may have reflected the market's speculation on the Share Offer and may not be sustained during and after the Offer Period;
- (v) the trading volume of the Shares was thin in general during Pre-announcement Review Period. The Share Offer provides an exit alternative for the Independent Shareholders who would like to realise their investments in the Shares, especially for those holding a large number of the Shares, at the Share Offer Price;
- (vi) after the change of the composition, if the Departure and Deemed Disposition Taxes are imposed, such potential taxes may have negative impact on the financial result of the Group in future; and
- (vii) The Offeror has not yet formulated a plan for the Group after the close of the Offer. Given the loss-making position of the Group and the negative impact of COVID-19 to the travel and tourism industry, the prospect of the Group remains uncertain,

we are of the opinion that the terms of the Share Offer are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to accept the Share Offer.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Nonetheless, we would like to remind the Independent Shareholders who would like to realise part or all of their investments in the Shares to closely monitor the market price and liquidity of the Shares during the Offer Period and may, instead of accepting the Share Offer, consider selling their Shares in the open market should such sale proceeds, net of all transaction costs, exceed the amount receivable under the Share Offer. The Independent Shareholders who believe that they will not be able to sell the Shares in the market at a price higher than the Share Offer Price because of their size of the shareholding may consider the Share Offer as an alternative exit of their investments.

Yours faithfully,  
For and on behalf of  
**Octal Capital Limited**

**Alan Fung**                      **Wong Wai Leung**  
*Managing Director*                      *Director*

Mr. Alan Fung has been a responsible officer of Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities since 2003. Mr. Fung has more than 28 years of experience in corporate finance and investment banking and has participated in and completed various advisory transactions in respect of mergers and acquisitions, connected transactions and transactions subject to the compliance to the Takeovers Code of listed companies in Hong Kong.

Mr. Wong Wai Leung has been a responsible officer of Type 1 (dealing in securities), Type 6 (advising on corporate finance) regulated activities since 2008 and is also a responsible officer Type 9 (asset management) regulated activities. Mr. Wong has more than 20 years of experience in corporate finance and investment banking and has participated in and completed various advisory transactions of listed companies in Hong Kong in respect of the Takeovers Code.

## 1. PROCEDURES FOR ACCEPTANCE

To accept any of the Share Offer, you should duly complete and sign the relevant accompanying Form of Acceptance and Transfer in accordance with the instructions printed thereon, which instructions form part of the terms of the relevant Share Offer.

### The Share Offer

- (a) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Offer Shares is/are in your name, and you wish to accept the Share Offer in respect of your Offer Shares (whether in full or in part), you must deliver the duly completed and signed **WHITE Form of Acceptance and Transfer** together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of Offer Shares for which you intend to accept the Share Offer, by post or by hand, to the Registrar, Boardroom Share Registrars (HK) Limited, Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, marked “CTEH INC. — Share Offer” on the envelope so as to reach the Registrar as soon as possible but in any event by no later than 4:00 p.m. (Hong Kong time) on the Closing Date or such later time(s) and/or date(s) as the Offeror may determine and announce in accordance with the Takeovers Code.
- (b) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Offer Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Share Offer in respect of your Offer Shares (whether in full or in part), you must either:
  - (i) lodge your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of Offer Shares for which you intend to accept the Share Offer with the nominee company, or other nominee, and with instructions authorising it to accept the Share Offer on your behalf and requesting it to deliver the **WHITE Form of Acceptance and Transfer** duly completed and signed together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Offer Shares tendered for acceptance to the Registrar; or
  - (ii) arrange for the Offer Shares to be registered in your name by the Company through the Registrar, and deliver the duly completed and signed **WHITE Form of Acceptance and Transfer** together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of Offer Shares for which you intend to accept the Share Offer to the Registrar; or

- (iii) if your Offer Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees Limited to accept the Share Offer on your behalf on or before the deadline set by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or
- (iv) if your Offer Shares have been lodged with your investor participant's account maintained with CCASS, give your instruction via the CCASS Phone System or the CCASS Internet System on or before the deadline set by HKSCC Nominees Limited.
- (c) If you have lodged transfer(s) of any of your Offer Shares for registration in your name or if you have exercised your options and have not yet received your share certificate(s), and you wish to accept the Share Offer in respect of those Offer Shares, you should nevertheless duly complete and sign the **WHITE Form of Acceptance and Transfer** and deliver it to the Registrar together with the transfer receipt(s), if any, duly signed by yourself and/or other document(s) of title (as the case may be). Such action will constitute an irrevocable authority to the Offeror and/or CCBI and/or their respective agent(s) to collect from the Company or the Registrar on your behalf the relevant share certificate(s) when issued and to deliver such share certificate(s) to the Registrar on your behalf and to authorise and instruct the Registrar to hold such share certificate(s), subject to the terms and conditions of the Share Offer, as if it was/they were delivered to the Registrar with the **WHITE Form of Acceptance and Transfer**.
- (d) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title in respect of your Offer Shares is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the Share Offer in respect of any of your Offer Shares, the **WHITE Form of Acceptance and Transfer** should nevertheless be duly completed, signed and delivered to the Registrar together with a letter stating that you have lost one or more of your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Offer Shares or that it is/they are not readily available. If you subsequently find such document(s) or if it/they become(s) available, the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title should be forwarded to the Registrar as soon as possible thereafter. If you have lost the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title in respect of your Offer Shares, you should also write to the Registrar for a form of letter of indemnity which, when completed and signed in accordance with the instructions given, should be provided to the Registrar. The Offeror has absolute discretion to decide whether any Offer Shares in respect of which the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title is/are not readily available and/or is/are lost will be taken up by the Offeror.

- (e) Acceptance of the Share Offer will be treated as valid only if the duly completed and signed **WHITE Form of Acceptance and Transfer** is received by the Registrar by no later than 4:00 p.m. (Hong Kong time) on the Closing Date and the Registrar has recorded that the acceptance and any relevant documents required by Note 1 to Rule 30.2 of the Takeovers Code have been so received, and is:
- (i) accompanied by the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of Offer Shares for which you intend to accept the Share Offer and, if that/those share certificate(s) and/or any other document(s) of title is/are not in your name, such other document(s) (e.g. a duly stamped transfer of the relevant Share(s) in blank or in favour of the acceptor executed by the registered holder) in order to establish your right to become the registered holder of the relevant Offer Shares; or
  - (ii) from a registered Shareholder or his/her personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Offer Shares which are not taken into account under another sub-paragraph of this paragraph (e)); or
  - (iii) certified by the Registrar or the Stock Exchange.
- (f) If the **WHITE Form of Acceptance and Transfer** is executed by a person other than the registered Shareholder, appropriate documentary evidence of authority (e.g. grant of probate or certified copy of a power of attorney) to the satisfaction of the Registrar must be produced.
- (g) No acknowledgement of receipt of any **WHITE Form of Acceptance and Transfer** and/or share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Offer Shares tendered for acceptance will be given.
- (h) The address of the Registrar, Boardroom Share Registrars (HK) Limited, is at Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong.

## 2. SETTLEMENT UNDER THE SHARE OFFER

### The Share Offer

Provided that a duly completed and signed **WHITE Form of Acceptance and Transfer** and the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the relevant Offer Shares as required by Note 1 to Rule 30.2 of the Takeovers Code are complete and in good order in all respects and have been received by the Registrar by no later than 4:00 p.m. (Hong Kong time) on the Closing Date or such later time(s) and/or date(s) as the Offeror may determine and

announce in accordance with the Takeovers Code, a cheque from the Offeror for the amount due to each of the Shareholders who accepts the Share Offer less seller's ad valorem stamp duty in respect of the Offer Shares tendered by him under the Share Offer will be despatched to such Shareholder by ordinary post at his own risk as soon as possible but in any event within seven (7) Business Days following the date of receipt of a duly completed and signed **WHITE Form of Acceptance and Transfer** together with all of the relevant document(s) by the Registrar to render such acceptance under the Share Offer valid.

Settlement of the consideration to which any Shareholder is entitled under the Share Offer will be implemented in full in accordance with its terms (save in respect of the payment of the seller's ad valorem stamp duty) without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Shareholder.

No fraction of a cent will be payable and the amount of consideration payable to a Shareholder who accepts the Share Offer will be rounded up to the nearest cent.

Cheque(s) not presented for payment within six months from the date of issue of the relevant cheque(s) will not be honoured and will be of no further effect, and in such circumstances cheque holders should contact the Offeror for payment.

### **3. ACCEPTANCE PERIOD AND REVISIONS**

Unless the Share Offer is revised or extended in accordance with the Takeovers Code, to be valid, the **WHITE Form of Acceptance and Transfer** must be received by the Registrar, in accordance with the instructions printed thereon and in this Composite Document by no later than 4:00 p.m. (Hong Kong time) on the Closing Date.

If the Share Offer are revised or extended, the Offeror will issue an announcement in relation to such revision or extension of the Share Offer, which announcement will state the next Closing Date. There is no obligation on the Offeror to extend the Share Offer. If, in the course of the Share Offer, the Offeror revises the terms of the Share Offer, all of the Shareholders, whether or not they have already accepted the Share Offer, will be entitled to accept the revised Share Offer under the revised terms. Any revised Share Offer must be kept open for at least fourteen (14) days following the date on which the revised Share Offer document is posted. In any case where the Share Offer is revised, and the consideration offered under the revised Share Offer does not represent on such date a reduction in the value of the Share Offer in its original or any previously revised form(s), the benefit of such revised Share Offer will be made available as set out herein to acceptors of the Share Offer in its original or any previously revised form(s) (hereinafter called "**previous acceptor(s)**"). The execution by, or on behalf of, a previous acceptor of any Form of Acceptance and Transfer shall be deemed to constitute acceptance of the Share Offer as so revised.

If the Closing Date is extended, any reference in this Composite Document and in the Form of Acceptance and Transfer to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the subsequent Closing Date.



**4. NOMINEE REGISTRATION**

To ensure equality of treatment of all Shareholders, those Shareholders who hold Offer Shares as nominee on behalf of more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. It is essential for the beneficial owners of the Offer Shares whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Share Offer. Acceptance of the Share Offer by any nominee will be deemed to constitute a warranty by such nominee to the Offeror that the number of Offer Shares it has indicated in the Form of Share Offer Acceptance and Transfer is the aggregate number of Offer Shares for which such nominee has received authorisations from the beneficial owners to accept the Share Offer on their behalf.

**5. ANNOUNCEMENTS**

By 6:00 p.m. on the Closing Date (or such later time(s) and/or date(s) as the Executive may in exceptional circumstances permit), the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the revision or extension of the Share Offer. The Offeror must publish an announcement in accordance with the Listing Rules and the Takeovers Code on the Stock Exchange's website by 7:00 p.m. on the Closing Date stating the results of the Share Offer. The announcement will state the following:

- (a) the total number of Offer Shares for which acceptances of the Share Offer have been received;
- (b) the total number of Offer Shares held, controlled or directed by the Offeror and/or parties acting in concert with it before the Offer Period;
- (c) the total number of Offer Shares acquired or agreed to be acquired or cancelled during the Offer Period by the Offeror and/or parties acting in concert with it; and
- (d) details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror and/or parties acting in concert with it have borrowed or lent, save for any borrowed Offer Shares which have been either on-lent or sold.

The announcement will specify the percentages of the issued share capital, and the percentages of voting rights, represented by these numbers of Offer Shares.

In computing the total number of Offer Shares represented by acceptances, only valid acceptances that are complete, in good order and fulfil the conditions set out in this Appendix I, and which have been received by the Registrar (in respect of the Share Offer) by no later than 4:00 p.m. (Hong Kong time) on the Closing Date, being the latest time and date for acceptance of the Share Offer, shall be included.

As required under the Takeovers Code, all announcements in relation to the Share Offer will be made in accordance with the requirements of the Takeovers Code and the Listing Rules, where appropriate.

If the Offeror and/or its concert parties or their respective advisers make any statement during the Offer Period about the level of acceptances or the number or percentage of accepting Shareholders, the Offeror must make an immediate announcement in compliance with Note 2 to Rule 19 of the Takeovers Code.

## **6. RIGHT OF WITHDRAWAL**

As the Share Offer is unconditional in all respects, acceptances of the Share Offer tendered by the Shareholders, shall be irrevocable and cannot be withdrawn, except in the circumstances set out in the paragraph below.

Under Rule 19.2 of the Takeovers Code, if the Offeror is unable to comply with the requirements set out in section headed “Announcements” in this Appendix I above, the Executive may require that the holders of Offer Shares who have tendered acceptances to the relevant Share Offer be granted a right of withdrawal on terms that are acceptable to the Executive until the requirements set out in that section are met. In such case, where the Shareholders withdraw their acceptance(s), the Offeror shall, as soon as possible but in any event within ten (10) days thereof, return by ordinary post the share certificate(s) and/or other document(s) of the title (and/or any satisfactory indemnity or indemnities required in respect thereof) lodged with the Form of Acceptance and Transfer to the relevant Shareholders at their own risk.

## **7. HONG KONG STAMP DUTY**

Seller’s ad valorem stamp duty at the rate of 0.1% of (i) the consideration in respect of the acceptances of the Share Offer or (ii) if higher, the market value of the Offer Shares as determined by the Collector of Stamp Revenue under the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong) will be payable by the Shareholders who accept the Share Offer insofar as their Offer Shares are registered on the Hong Kong branch share register of the Company. The relevant amount of stamp duty payable by the relevant Shareholders will be deducted from the consideration payable to such Shareholders under the Share Offer. The Offeror will arrange for payment of the seller’s ad valorem stamp duty on behalf of the accepting Shareholders in connection with the acceptance of the Share Offer and the transfer of the Offer Shares.

## **8. GENERAL**

- (a) All communications, notices, Form of Acceptance and Transfer, share certificate(s), transfer receipt(s), document(s) of title or entitlement in respect of the Share Offer and/or documentary evidence of authority (and/or any satisfactory indemnity or indemnities required in respect thereof) and/or cheques to settle the consideration payable under the Share Offer if delivered by or sent to or from the Shareholders or their designated agents by post, shall be posted at their own risk, and none of the Offeror, the Company, CCBI or any of their respective directors, the Registrar or any other parties involved in the Share Offer and any of their respective agents accepts any liability for any loss or delay in postage or any other liabilities that may arise as a result thereof.

- (b) The provisions set out in the Form of Acceptance and Transfer form part of the terms of the Share Offer.
- (c) The accidental omission to despatch this Composite Document and/or Form of Acceptance and Transfer or any of them to any person to whom the Share Offer are made will not invalidate the Share Offer in any way.
- (d) The Share Offer is, and all acceptances will be, governed by and construed in accordance with the laws of Hong Kong. Execution of a Form of Acceptance and Transfer by or on behalf of any person will constitute the agreement of such person that the courts of Hong Kong shall have exclusive jurisdiction to settle any dispute which may arise in connection with the Share Offer.
- (e) Due execution of the Form of Acceptance and Transfer will constitute an authority to the Offeror, CCBI or such person or persons as the Offeror may direct, to complete, amend and execute any document on behalf of the person or persons accepting the Share Offer and to do any other act that may be necessary or expedient for the purposes of vesting in the Offeror, or such person or persons as it may direct, the Offer Shares.
- (f) Acceptance of the Share Offer by any person will be deemed to constitute a representation and warranty by such person or persons to:
  - (i) the Offeror, the Company and CCBI, that the Offer Shares sold by such person or persons to the Offeror are free from all Encumbrances and are sold together with all rights attaching to them as at the date of this Composite Document or subsequently becoming attached to them, including the right to receive all dividends and distributions, if any, declared, made or paid on or after the date of this Composite Document.
  - (ii) the Offeror, the Company and their respective advisers, including CCBI, the financial adviser to the Offeror in respect of the Share Offer, that if such Shareholder accepting the Share Offer is a citizen, resident or national of a jurisdiction outside Hong Kong, he/she has observed and is permitted under all applicable laws and regulations to which such Overseas Shareholder is subject to receive and accept the Share Offer and any revision thereof, and that he/she has obtained all requisite governmental, exchange control or other consents and made all registrations or filings required in compliance with all necessary formalities and regulatory or legal requirements, and all requirements for the payment due by the accepting Overseas Shareholders and that he/she has not taken or omitted to take any action which will or may result in the Offeror, the Company or their respective advisers, including CCBI, the financial adviser to the Offeror, or any other person acting in breach of the legal or regulatory requirements of any jurisdiction in connection with the Share Offer or his/her acceptance thereof, and such acceptance, surrender and/or cancellation shall be valid and binding in accordance with all applicable laws and regulations.

- (g) Reference to any of the Share Offer in this Composite Document and in the Form of Acceptance and Transfer shall include any extension and/or revision thereof.
- (h) In making their decisions with regard to the Share Offer, the Shareholders should rely on their own examination of the Offeror, the Group and the terms of the Share Offer, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained herein, together with the Form of Acceptance and Transfer shall not be construed as any legal or business advice on the part of the Offeror, the Company and/or CCBI. The Shareholders should consult their own professional advisers for professional advice.
- (i) The English texts of this Composite Document and the accompanying Form of Acceptance and Transfer shall prevail over their respective Chinese texts for the purpose of interpretation in case of inconsistency.
- (j) The Share Offer is made in accordance with the Takeovers Code.

## 1. SUMMARY OF FINANCIAL INFORMATION ON THE GROUP

Set out below is a summary of the audited consolidated financial results of the Group for each of the three financial years ended 31 December 2018, 2019 and 2020, as extracted from the annual reports of the Company for the years ended 31 December 2018, 2019 and 2020, respectively.

	For the year ended 31 December		
	2018	2019	2020
	(audited)	(audited)	(audited)
	HK\$'000	HK\$'000	HK\$'000
Revenue	149,181	112,141	51,605
Cost of sales	(45,493)	(31,792)	(28,024)
Gross profit	103,688	80,349	23,581
Other income	—	375	21,410
Expected credit losses allowance on financial assets	—	—	(50,068)
Selling expenses	(18,456)	(17,599)	(11,270)
Administrative expenses	(67,710)	(47,221)	(39,671)
Profit/(loss) before income tax	15,715	15,515	(54,116)
Income tax (expense)/credit	(4,620)	(4,768)	6,055
Net profit/(loss) for the year attributable to owners of the Company	11,095	10,747	(48,061)
Total comprehensive income/(expenses) for the year attributable to owners of the Company	7,914	11,777	(46,801)
Amount of dividends distributed to owners of the Company	5,520	6,480	—
Earnings/(losses) per Share from operations attributable to owners of the Company:			
— Basic and diluted earnings/(losses) per Share (HK Cents)	1.1	0.9	(4.0)
Dividend per Share (HK Cents)	0.46	0.54	—

The auditor's report from PricewaterhouseCoopers LLP in respect of the Group's audited consolidated financial statements for the year ended 31 December 2018, and the auditor's reports from BDO Limited in respect of the Group's audited consolidated financial statements for each of the years ended 2019 and 2020 did not contain any qualified or modified opinion (including emphasis of matter, adverse opinion, disclaimer of opinion, and material uncertainty related to going concern).

Other than those disclosed right above, there are no other items of income or expense which are material for the three financial years ended 31 December 2020.

## 2. CONSOLIDATED FINANCIAL INFORMATION

The audited consolidated financial statements of the Group, together with the accompanying notes to the financial statements, for each of the three financial years ended 31 December 2018, 2019 and 2020 are disclosed in the annual report of the Company for the financial year ended 31 December 2018, the annual report of the Company for the financial year ended 31 December 2019, and the annual report of the Company for the financial year ended 31 December 2020, respectively. The said annual reports are published on the websites of the Stock Exchange (<https://www.hkexnews.hk>) and the Company (<https://www.toureast.com>).

Annual report for the year ended 31 December 2018 (pages 41 to 109):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0425/lt20190425769.pdf>

Annual report for the year ended 31 December 2019 (pages 40 to 111):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0429/2020042903003.pdf>

Annual report for the year ended 31 December 2020 (pages 38 to 113):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0430/2021043000442.pdf>

The audited consolidated financial statements of the Group for each of the three financial years 31 December 2018, 2019 and 2020 are incorporated by reference into this Composite Document and form part of this Composite Document.

## 3. INDEBTEDNESS

As at the close of business on 31 March 2021, being the most recent practicable date for the purpose of the statement of indebtedness prior to the printing of this Composite Document, the Group had the following indebtedness:

### (a) Loan from Government

The Group had a long term loan from government of approximately HK\$2,726,000 which was unsecured, unguaranteed and interest free.

### (b) Contractual lease payments

The Group, as a lessee, has outstanding unpaid contractual lease payments amounting to approximately HK\$4,423,000 in aggregate in relation to the remaining lease terms of certain lease contracts, which is unsecured and unguaranteed.

Save as aforesaid above and apart from normal trade payables in the ordinary course of business, the Group did not have at the close of business on 31 March 2021, being the most recent practicable date for ascertaining the information prior to the printing of this Composite Document, any debt securities authorised or created but unissued, issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance leases, hire purchase commitments, guarantees or other material contingent liabilities.

#### **4. MATERIAL CHANGE**

As at the Latest Practicable Date, the Directors confirm that there was no material change in the financial or trading position or outlook of the Group subsequent to 31 December 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.

**1. RESPONSIBILITY STATEMENT**

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

**2. SHARE CAPITAL OF THE COMPANY**

As at the Latest Practicable Date:

*Authorised Share Capital:* *HK\$*

90,000,000,000 Shares of HK\$0.0001 each 9,000,000

*Issued and fully paid share capital:*

1,200,000,000 Shares of HK\$0.0001 each 120,000

The total number of issued Shares as at 31 December 2020 (being the date on which the latest audited consolidated financial statements of the Company were made up to) and as at the Latest Practicable Date was 1,200,000,000 Shares.

All of the Shares currently in issue are fully paid up and rank pari passu in all respects with each other, including all rights in respect of return of capital, dividends and voting. The issued Shares are listed on the Main Board of the Stock Exchange. No part of the Shares is listed or dealt in, nor is any listing of or permission to deal in the Shares being or proposed to be sought on, any other stock exchange.

The Company did not have any outstanding options, warrants, securities or derivatives which were convertible or exchangeable into Shares or rights affecting the Shares as at the Latest Practicable Date.



### 3. MARKET PRICES

The table below shows the closing prices of the Shares quoted on the Stock Exchange on (a) the last day on which trading took place in each of the calendar months during the Relevant Period; (b) the Last Trading Day; and (c) the Latest Practicable Date:

<b>Date</b>	<b>Closing price per Share (HK\$)</b>
31 December 2020	0.151
29 January 2021	0.140
26 February 2021	0.145
31 March 2021	0.169
30 April 2021	0.250
31 May 2021	0.220
4 June 2021 (being the Last Trading Day)	0.192
25 June 2021 (being the Latest Practicable Date)	0.238

During the Relevant Period:

- (a) the highest closing price of the Shares quoted on the Stock Exchange was HK\$0.325 per Share on 11 June 2021; and
- (b) the lowest closing price of the Shares quoted on the Stock Exchange was HK\$0.139 per Share on 15, 18, 19, 20 and 21 January 2021.

### 4. DISCLOSURES OF INTERESTS IN THE COMPANY'S SECURITIES

#### **(A) Directors' and chief executive's interests and short positions in the securities of the Company or its associated corporations**

As at the Latest Practicable Date, none of the Directors or the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which 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) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules; or (iv) which were required to be disclosed under the Takeovers Code.

**(B) Substantial shareholders' interests and short positions in shares and underlying shares of the Company**

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

Name	Nature of interests/ Holding capacity	Number of Shares held	Approximate percentage of issued share capital of the Company (note 1)
Offeror	Beneficial owner	900,000,000(L)(note 4)	75.0%
Tomorrow Education Holding Limited (note 2)	Interest of controlled corporation	900,000,000(L)(note 4)	75.0%
Tomorrow Education Investment Limited (note 3)	Interest of controlled corporation	900,000,000(L)(note 4)	75.0%
Mr. Liu (note 2)	Interest of controlled corporation	900,000,000(L)(note 4)	75.0%
Ms. Kou Chung Yin Mariana (note 3)	Interest of controlled corporation	900,000,000(L)(note 4)	75.0%

*Notes:*

1. The percentage is calculated on the basis of 1,200,000,000 Shares in issue as at the Latest Practicable Date.
2. Tomorrow Education Holding Limited holds 70.0% of the share capital of the Offeror, and is beneficially and wholly-owned by Mr. Liu. By virtue of the SFO, Tomorrow Education Holding Limited and Mr. Liu are deemed to be interested in the Shares held by Tomorrow Education Holding Limited.
3. Tomorrow Education Investment Limited holds 30.0% of the share capital of the Offeror, and is beneficially and wholly-owned by Ms. Kou Chung Yin Mariana. By virtue of the SFO, Tomorrow Education Investment Limited and Ms. Kou Chung Yin Mariana are deemed to be interested in the Shares held by Tomorrow Education Investment Limited.
4. The letter "L" denotes long positions in the Shares.

Save as disclosed above, as at the Latest Practicable Date, the Directors have not been notified by any person (other than the Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

#### 5. SHAREHOLDING AND DEALINGS IN THE COMPANY'S SECURITIES

- (a) None of the Directors had dealt for value in any Shares or any securities, warrants, options of the Company or derivatives in respect of securities of the Company during the Relevant Period.
- (b) During the Relevant Period, none of the subsidiaries of the Company, the pension fund of the Company or of its subsidiaries, a person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of "acting in concert" under the Takeovers Code or who is an associate of the Company by virtue of class (2) of the definition of "associate" under the Takeovers Code had owned, controlled or dealt for value in any Shares or any securities, convertible securities, warrants, options of the Company or derivatives in respect of securities of the Company.
- (c) During the Relevant Period, there was no arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code between any person and the Company or any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of "acting in concert" under the Takeovers Code or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of "associate" under the Takeovers Code, and no such person had owned, controlled or dealt for value in any Shares or any securities, convertible securities, warrants, options of the Company or derivatives in respect of securities of the Company.
- (d) During the Relevant Period, no Shares or any securities, convertible securities, warrants, options of the Company or derivatives in respect of securities of the Company were managed on a discretionary basis by fund managers connected with the Company and no such person had dealt for value in any Shares or any securities, convertible securities, warrants, options of the Company or derivatives in respect of securities of the Company.
- (e) During the Relevant Period, there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (1) any shareholder of the Company; and (2) (a) the Offeror or any parties acting in concert with it; or (b) the Company, its subsidiaries or associated companies.

- (f) During the Relevant Period, there were no Shares or other securities of the Company carrying voting rights or convertible securities, warrants, options or derivatives of the Company which the Company and any Directors had borrowed or lent.

#### **6. INTERESTS IN SECURITIES OF THE OFFEROR**

During the Relevant Period and as at the Latest Practicable Date, none of the Company or any of the Directors was interested in any shares, convertible securities, warrants, options or derivatives in respect of the shares of the Offeror, and the Company or any of the Directors had not dealt for value in any shares, convertible securities, warrants, options or derivatives of the Offeror during the Relevant Period.

#### **7. ARRANGEMENTS AFFECTING AND RELATING TO DIRECTORS**

- (a) As at the Latest Practicable Date, no benefit (other than statutory compensation required under applicable laws) had been or would be given to any Director as compensation for loss of office or otherwise in connection with the Share Offer.
- (b) As at the Latest Practicable Date, there was no agreement or arrangement between any Director and any other person which is conditional on or dependent upon the outcome of the Share Offer or otherwise connected with the Share Offer.
- (c) As at the Latest Practicable Date, there were no material contract entered into by the Offeror in which any Director had a material interest.

#### **8. LITIGATION**

As at the Latest Practicable Date, neither the Company nor any other member of the Group was engaged in any litigation or arbitration of material importance and no litigation, arbitration or claim of material importance was, so far as the Directors were aware, pending or threatened against the Company or any other member of the Group.

#### **9. MATERIAL CONTRACTS**

There were no material contracts, not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Group, have been entered into by the members of the Group within two years preceding the date of the commencement of the Offer Period and up to and including the Latest Practicable Date.

**10. EXPERTS AND CONSENTS**

The following is the name and qualifications of the expert who has given opinions and recommendations which are contained in this Composite Document:

<b>Name</b>	<b>Qualifications</b>
Octal Capital Limited	a corporation licensed to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

Octal Capital has given and has not withdrawn its written consent to the issue of the Composite Document with the inclusion herein of its letter and references to its name, in the form and context in which they are included.

As at the Latest Practicable Date, Octal Capital did not have any shareholding, direct or indirect, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, nor did it have any direct or indirect interests in any assets which had been, since 31 December 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.

**11. DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, there was no service contract with the Company or any of its subsidiaries or associated companies in force for the Directors (i) which (including both continuous and fixed term contracts) was entered into or amended within 6 months before the date of the commencement of the Offer Period; (ii) which was a continuous contract with a notice period of 12 months or more; or (iii) which was a fixed term contract with more than 12 months to run irrespective of the notice period.

**12. MISCELLANEOUS**

- (a) The company secretary of the Company is Mr. Kai Yu Chow, who is a member of Hong Kong Institute of Certified Public Accountants.
- (b) The address of the registered office of the Company is 4th Floor, Harbour Place, 103 South Church Street, PO Box 10240, Grand Cayman, KY1-1002, Cayman Islands.
- (c) The address of the headquarter of the Company is 15 Kern Road, Toronto, Ontario, Canada, M3B 1S9.
- (d) The address of the principal place of business of the Company in Hong Kong is 31st Floor, 148 Electric Road, North Point, Hong Kong.

- (e) The branch share registrar and transfer office of the Company in Hong Kong is Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong.
- (f) The registered office of Octal Capital Limited, the Independent Financial Adviser, is at Room 801-805, 8/F, Nan Fung Tower, 88 Connaught Road Central, Hong Kong.

### **13. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection (i) at the Company's principal place of business in Hong Kong at 31st Floor, 148 Electric Road, North Point, Hong Kong from 9:30 a.m. to 5:00 p.m. on any weekdays, except public holidays; (ii) on the website of the SFC (<https://www.sfc.hk>); and (iii) on the website of the Company (<https://www.toureast.com>) from the date of this Composite Document for as long as the Share Offer remain open for acceptance:

- (a) the amended and restated memorandum and articles of association of the Company;
- (b) the annual reports of the Company for each of the three financial years ended 31 December 2018, 2019 and 2020;
- (c) a copy of this Composite Document and the accompanying Forms of Acceptance and Transfer;
- (d) the letter from the Board, the text of which is set out on pages 19 to 25 of this Composite Document;
- (e) the letter from the Independent Board Committee to the Independent Shareholders, the text of which is set out on pages 26 to 27 of this Composite Document;
- (f) the letter of advice from the Independent Financial Adviser to the Independent Board Committee, the text of which is set out on pages 28 to 46 of this Composite Document; and
- (g) the written consents referred to in the paragraph headed "10. Experts and Consents" in this Appendix III.

**1. RESPONSIBILITY STATEMENT**

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

**2. DISCLOSURES OF INTERESTS IN THE COMPANY'S SECURITIES**

As at the Latest Practicable Date, the Offeror held 900,000,000 Shares representing 75.0% of the total issued share capital of the Company. The Offeror is an investment holding company incorporated in the British Virgin Islands with limited liability on 9 April 2020, the shares of which are owned as to 70% by Tomorrow Education Holding Limited (which is wholly-owned by Mr. Liu, a non-resident of Canada) and 30% by Tomorrow Education Investment Limited (which is wholly-owned by Ms. Kou Chung Yin Mariana, a non-resident of Canada).

Save as disclosed above, as at the Latest Practicable Date, none of the Offeror and parties acting in concert with it owned or controlled any relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company.

**3. DEALINGS IN THE COMPANY'S SECURITIES**

As at the Latest Practicable Date, the Company does not have in issue any warrants, options, derivatives, convertible securities or other securities convertible into Shares.

The Offeror confirms that, as at the Latest Practicable Date, the Offeror and/ or its concert parties hold 900,000,000 Shares in aggregate, representing approximately 75.0% of the total issued share capital of the Company. Please see the section headed "The Share Offer" in the "Letter from CCBI". Save as aforesaid, as at the Latest Practicable Date, the Offeror and/ or its concert parties do not hold, control or have direction over any Shares or hold any convertible securities, warrants, options or derivatives in respect of the Company.

Save for the Sale Shares, the Offeror and/or parties acting in concert with it have not dealt for value in any Shares or any options, warrants, derivatives or securities convertible into Shares during the Relevant Period.

**4. ARRANGEMENTS IN CONNECTION WITH THE SHARE OFFER**

As at the Latest Practicable Date,

- (a) none of the Directors had been given any benefit as compensation for loss of office or otherwise in connection with the Share Offer;

- (b) no agreement, arrangement or understanding (including any compensation arrangement) existed between the Offeror and/or its concert parties and any of the Directors or recent Directors, Shareholders or recent Shareholders having any connection with or was dependent upon the outcome of the Share Offer;
- (c) no arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code had been entered into between the Offeror and/or any parties acting in concert with it and/or associates of the Offeror on the one hand and any other person on the other;
- (d) no person who owned or controlled Shares, options or convertible securities, warrants, options or derivatives in respect of Shares had irrevocably committed themselves to accept or reject the Share Offer;
- (e) there were no Shares, options or convertible securities, warrants, options or derivatives in respect of Shares which the Offeror and/or parties acting in concert with it had borrowed or lent;
- (f) since the Share Offer are unconditional in all respects, there was no agreement or arrangement to which the Offeror and/or parties acting in concert with it was a party which related to the circumstances in which it might or might not invoke or seek to invoke a condition to the Share Offer;
- (g) no arrangement of any kind referred to in the third paragraph of Note 8 to Rule 22 of the Takeovers Code existed between a person on one hand and the Offeror and/or its concert parties or any other associate of them on the other hand during the Relevant Period;
- (h) there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Offeror and/or parties acting in concert with it on one hand and Vendors and parties acting in concert with the Vendors on the other hand;
- (i) Save for the Margin Loan Facility granted by CCBIS to the Offeror as disclosed on page 10 in this Composite Document, the Offeror had no intention to transfer, charge or pledge any Shares acquired pursuant to the Share Offer to any other persons and had no agreement, arrangement or understanding with any third party to do so; and
- (j) save for the HK\$205 million consideration paid by the Offeror and parties acting in concert with it to the Vendors, there is no other consideration, compensation, or benefit in whatever form that has been or will be paid by the Offeror and/or parties acting in concert with it to the Vendors and parties acting in concert with them in connection to the sale and purchase of Sale Shares.



**5. MISCELLANEOUS**

- (a) The Offeror is a company incorporated in the British Virgin Islands with limited liability. The registered office of the Offeror is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands.
- (b) The Offeror board comprises two directors, namely Mr. Liu and Ms. Kou Chung Yin Mariana.
- (c) Mr. Liu's address is no. 17, of 11 lane, Liuwu Baotang Building, Baotun Houjie Town Dongguan City, Guangdong province, the People's Republic of China.
- (d) Ms. Kou Chung Yin Mariana's address is flat A, 19/f, 52 Conduit Road, Mid-Levels, Hong Kong.
- (e) The Offeror is owned as to 70% by Tomorrow Education Holding Limited ("**Tomorrow Education Holding**"), which is wholly-owned by Mr. Liu, a director of Tomorrow Education Holding, and 30% by Tomorrow Education Investment Limited ("**Tomorrow Education Investment**"), which is wholly-owned by Ms. Kou Chung Yin Mariana, a director of Tomorrow Education Investment.
- (f) The registered office of CCBI is situated at 12/F, CCB Tower, 3 Connaught Road Central, Central, Hong Kong.

**6. CONSENT AND QUALIFICATIONS OF PROFESSIONAL ADVISER**

The following is the qualifications of the expert who have given its report, opinion or advice which are contained in this Composite Document:

<b>Name</b>	<b>Qualifications</b>
CCB International Capital Limited	a corporation licensed to carry on type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO

CCBI has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion of its opinions, recommendations, letter of advice and all references to its name in the form and context in which they appear.

As at the Latest Practicable Date, CCBI did not have any direct or indirect shareholding in any member of the Group or any right to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

**7. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection (i) on the websites of the SFC (<http://www.sfc.hk/>) and the Company (<https://www.toureast.com>); and (ii) at the principal place of business of the Company in Hong Kong at 31st Floor, 148 Electric Road, North Point, Hong Kong from 9:30 a.m. to 5:00 p.m. on any weekday other than public holidays from the date of this Composite Document up to and including the Closing Date:

- (a) the memorandum and articles of association of the Offeror;
- (b) the Letter from CCBI, the text of which is set out on pages 7 to 18 of this Composite Document; and
- (c) the written consent as referred to in the section headed “Consent and Qualifications of Professional Adviser” in this appendix IV.