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**THIS OFFER DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

**If you have sold or transferred** all your securities in **FDG Kinetic Limited**, you should at once hand this Offer Document and the accompanying Form of Acceptance to the purchaser(s) or transferee(s) or to the bank, 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).

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 Offer Document and the accompanying Form of Acceptance, 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 Offer Document and the accompanying Form of Acceptance.

This Offer Document should be read in conjunction with the accompanying Form of Acceptance, the contents of which form part of the terms and conditions of the Offer.

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## **Victory Summit Global Limited**

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

**OFFER DOCUMENT IN RELATION TO  
THE VOLUNTARY CONDITIONAL CASH OFFER BY  
YU MING INVESTMENT MANAGEMENT LIMITED  
ON BEHALF OF VICTORY SUMMIT GLOBAL LIMITED  
TO ACQUIRE ALL THE ISSUED SHARES OF  
FDG KINETIC LIMITED  
(OTHER THAN THOSE SHARES ALREADY OWNED OR AGREED  
TO BE ACQUIRED BY VICTORY SUMMIT GLOBAL LIMITED AND  
PARTIES ACTING IN CONCERT WITH IT)**

**Financial Adviser to Victory Summit Global Limited**



YU MING INVESTMENT MANAGEMENT LIMITED  
禹銘投資管理有限公司

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Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed “Definitions” in this Offer Document unless the content requires otherwise.

A letter from Yu Ming to the FDG Shareholders containing, among other things, terms and conditions of the Offer is set out on pages 5 to 14 of this Offer Document.

The procedures of acceptance of the Offer and other related information are set out in Appendix I to this Offer Document and in the accompanying Form of Acceptance. Acceptances of the Offer should be received by the Receiving Agent, Union Registrars Limited, at Suites 3301–04, 33/F, Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong by no later than 4:00 p.m. on Monday, 23 August 2021 or such later time and/or date as the Offeror may determine and announce, with the consent of the Executive, in accordance with the Takeovers Code.

Any persons including, without limitation, custodians, nominees and trustees, who would, or otherwise intend to, forward this Offer Document and/or the accompanying Form of Acceptance to any jurisdiction outside Hong Kong should read the paragraph headed “Overseas FDG Shareholders” in the “Letter from Yu Ming” in this Offer Document before taking any action. It is the responsibility of each Overseas FDG Shareholder who wishes to accept the Offer to satisfy himself, herself or itself as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer, including the obtaining of any governmental, exchange control or other consent and any registration or filing which may be required or the compliance with other necessary formalities, regulatory and/or legal requirements and the payment of any transfer or other taxes, duties and other required payments in respect of such jurisdictions. The Overseas FDG Shareholders are advised to seek professional advice before deciding whether to accept the Offer.

This Offer Document is issued by the Offeror to the FDG Shareholders. This Offer Document will remain on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and FDG Kinetic ([www.fdgkinetic.com](http://www.fdgkinetic.com)) as long as the Offer remains open.

26 July 2021

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## EXPECTED TIMETABLE

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

<b>Event</b>	<b>Date 2021</b>
Despatch date of this Offer Document and the accompanying Form of Acceptance and the Offer opens for acceptance ( <i>Note 1</i> ) . . . . .	Monday, 26 July
Latest date for the posting of the Response Document ( <i>Note 2</i> ). . . . .	Monday, 9 August
First Closing Date . . . . .	Monday, 23 August
Latest time and date for acceptance of the Offer on the First Closing Date ( <i>Notes 3 &amp; 4</i> ) . . . . .	4:00 p.m. on Monday, 23 August
Announcement of the results of the Offer as at the First Closing Date to be posted on the websites of the Stock Exchange and FDG Kinetic . . . . .	by 7:00 p.m. on Monday, 23 August
Latest date for posting of remittances for the amount due in respect of valid acceptances received under the Offer on or before 4:00 p.m. on the First Closing Date (assuming the Offer becomes or is declared unconditional on the First Closing Date) ( <i>Note 5</i> ) . . . . .	Wednesday, 1 September
Final Closing Date if the Offer becomes or is declared unconditional on the First Closing Date ( <i>Note 6</i> ). . . . .	Monday, 6 September
Latest time and date for the Offer remaining open for acceptances on the Final Closing Date (assuming the Offer becomes or is declared unconditional on the First Closing Date) ( <i>Note 6</i> ) . . . . .	4:00 p.m. on Monday, 6 September
Announcement of the results of the Offer as at the Final Closing Date to be posted on the website of the Stock Exchange and FDG Kinetic . . . . .	by 7:00 p.m. on Monday, 6 September

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## EXPECTED TIMETABLE

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Event	Date 2021
Latest date for posting of remittances for the amount due in respect of valid acceptances received under the Offer on or before 4:00 p.m. on the Final Closing Date (assuming the Offer becomes or is declared unconditional in all respects on the First Closing Date) ( <i>Note 5</i> ) . . . . .	Wednesday, 15 September
Latest time and date by which the Offer can be declared unconditional as to acceptance ( <i>Note 7</i> ) . . . . .	by 7:00 p.m. on Friday, 24 September

*Notes:*

- (1) The Offer is open for acceptance for at least 28 days following the date on which this Offer Document is posted, as the Response Document will be posted after the date on which this Offer Document is posted, unless the Offeror revises or extends the Offer in accordance with the Takeovers Code.
- (2) In accordance with the Takeovers Code, FDG Kinetic is required to post the Response Document within 14 days from the posting of this Offer Document unless the Executive consents to a later date. Such consent will only be given if the Offeror agrees to an extension of the First Closing Date by the number of days in respect of which the delay in the posting of the Response Document is agreed.
- (3) Beneficial owners of the Shares who hold their Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant should note the timing requirements (as set out in Appendix I to this Offer Document) for causing instructions to be made to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures. Acceptance of the Offer shall be irrevocable and is not capable of being withdrawn, except in the circumstances as set out under “Right of Withdrawal” in Appendix I to this Offer Document.
- (4) The Response Document is posted after the date on which this Offer Document is posted. In accordance with the Takeovers Code, the Offer must initially be open for acceptance for at least 28 days following the date on which this Offer Document is posted. Accordingly, the latest time and date for acceptance of the Offer on the First Closing Date is 4:00 p.m. on 23 August 2021 unless the Offeror revises or extends the Offer in accordance with the Takeovers Code. An announcement will be issued on the websites of the Stock Exchange and FDG Kinetic by 7:00 p.m. on the First Closing Date, stating whether the Offer has been extended, revised or expired. In the event that the Offeror decides to extend the 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 Offer is closed in accordance with the Takeovers Code.
- (5) Subject to the Offer becoming unconditional, remittances in respect of the cash consideration for the Shares tendered under the Offer will be posted to each accepting FDG Shareholder (to the address specified on the relevant FDG Shareholder’s Form of Acceptance) by ordinary post at his/her/its own risk as soon as possible, but in any event within seven (7) Business Days following the later of the date of receipt by the Receiving Agent of the accompanying Form of Acceptance and all the relevant documents necessary to render the acceptance under the Offer complete, valid and in compliance with Note 1 to Rule 30.2 of the Takeovers Code, and the date on which the Offer becomes or is declared unconditional in all respects.

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## EXPECTED TIMETABLE

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- (6) In accordance with the Takeovers Code, where the Offer becomes or is declared unconditional in all respects, the Offer should remain open for acceptance for not less than 14 days thereafter. In such case, at least 14 days' notice in writing must be given before the Offer is closed.
- (7) Pursuant to the Takeovers Code, unless with the consent of the Executive, the Offer may not become or be declared unconditional as to acceptance after 7:00 p.m. on the 60th day after the date of the posting of the initial Offer Document.
- (8) The latest time and date for acceptance of the Offer and the latest date for posting of remittances for the amounts due under the Offer in respect of valid acceptances will change if there is a tropical cyclone warning signal number 8 or above, or a "black rainstorm warning", in force in Hong Kong or "extreme conditions" caused by super typhoon is announced by The Government of Hong Kong Special Administrative Region at any time between 12:00 noon and 4:00 p.m. on the latest date for acceptance of the Offer and the latest date for posting of remittances for the amounts due under the Offer in respect of valid acceptances. Instead the latest time for acceptance of the Offer and the posting of remittances will be rescheduled to 4:00 p.m. on the next following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

Save as mentioned above, if the latest time for the acceptance of the Offer does not take effect on the time and date as stated above, the other dates mentioned above may be affected. The Offeror will notify the FDG Shareholders by way of announcement(s) on any change to the expected timetable as soon as practicable.

All references to dates and time contained in this Offer Document and the accompanying Form of Acceptance refer to Hong Kong dates and time.

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## DEFINITIONS

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

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“Announcement”	the announcement dated 5 July 2021 issued by the Offeror relating to the Offer
“associate(s)”	has the meaning ascribed to it under the Takeovers Code
“Business Day”	a day on which the Stock Exchange is open for the transaction of business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Closing Date”	the First Closing Date or the Final Closing Date (as the case may be)
“Concert Parties”	parties acting in concert (as such term is defined in the Takeovers Code) with the person or party as specified and as determined in accordance with the Takeovers Code
“Conditions”	the conditions to the Offer, as set out in the section headed “Conditions to the Offer” in “Letter from Yu Ming” in this Offer Document
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
“FDG Group”	FDG Kinetic and its subsidiaries
“FDG Kinetic”	FDG Kinetic Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 378)
“FDG Shareholder(s)”	holder(s) of the issued Share(s)
“Final Closing Date”	the date which is the 14th day after (i) the date on which the Offer is declared unconditional as to acceptances or (ii) the First Closing Date, whichever is the later, provided that the Offer will be open or acceptance for at least 28 days following the despatch of this Offer Document
“First Closing Date”	23 August 2021, being the first closing date of the Offer or any subsequent closing date as may be announced by the Offeror and approved by the Executive

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## DEFINITIONS

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“Form of Acceptance”	the form of acceptance and transfer in respect of the Offer accompanying this Offer Document
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Last Trading Day”	30 June 2021
“Latest Practicable Date”	23 July 2021, being the latest practicable date prior to the printing of this Offer Document for the purpose of ascertaining certain information contained in this Offer Document
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange on the Main Board from time to time in force
“Main Board”	the main board of the Stock Exchange
“MoU”	the memorandum of understanding entered into between the Offeror, FDG Kinetic and the Receivers and Managers dated 17 May 2021, and the particulars of the MoU have been disclosed in the announcements of FDG Kinetic dated 20 May 2021, 4 June 2021, 22 June 2021 and 5 July 2021
“Mr. Xu”	Mr. Xu Haohao, the sole owner and director of the Offeror
“Offer”	the voluntary conditional cash offer being made by Yu Ming on behalf of the Offeror to acquire all of the Offer Shares in accordance with terms and conditions set out in this Offer Document
“Offer Document”	this offer document issued by the Offeror in respect of the Offer
“Offer Letter”	the offer letter dated 24 June 2021 submitted to FDG Kinetic by the Offeror in respect of the Offer
“Offer Period”	has the meaning ascribed to it under the Takeovers Code and commencing on 16 April 2020, and will end on the later of (i) the Closing Date; and (ii) for the purpose of the Offer, the date when the Offer lapses
“Offer Price”	the price of HK\$0.0043 per Offer Share payable by the Offeror to the FDG Shareholders for each Offer Share tendered under the Offer

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## DEFINITIONS

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“Offer Share(s)”	issued Shares other than those Shares already owned or agreed to be acquired by the Offeror and its Concert Parties
“Offeror”	Victory Summit Global Limited, a company incorporated in the British Virgin Islands with limited liability
“Overseas FDG Shareholders”	FDG Shareholder(s) whose address(es) as shown on the register of members of FDG Kinetic is/(are) outside Hong Kong
“Proposed Capital Enlargement”	(i) proposed capital reorganisation in the share capital of FDG Kinetic; (ii) proposed placing of shares of FDG Kinetic to the Offeror; and (iii) proposed rights issue of FDG Kinetic as disclosed in the announcement of FDG Kinetic dated 20 May 2021
“Receivers and Managers”	the appointed receivers and managers over all of the undertaking, property and assets of FDG Kinetic
“Receiving Agent”	Union Registrars Limited, the receiving agent of the Offeror with respect to the Offer, located at Suites 3301–04, 33/F, Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong
“Registrar”	the branch share registrar and transfer office of FDG Kinetic in Hong Kong, being Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
“Relevant Period”	the period from 16 October 2019, being the date falling six months before the commencement of the Offer Period, up to and including the Latest Practicable Date
“Response Document”	the circular required to be issued by FDG Kinetic to all the FDG Shareholders in connection with the Offer in accordance with the Takeovers Code
“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)”	the ordinary share(s) of HK\$0.20 each in the share capital of FDG Kinetic
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs, as amended by the SFC from time to time



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## DEFINITIONS

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“Yu Ming”	Yu Ming Investment Management Limited, a corporation licenced under the SFC and permitted to carry out types 1 (dealing in securities), 4 (advising on securities), 6 (advising on corporate finance) and 9 (asset management) regulated activities under the SFO, being the financial adviser to the Offeror
“%”	per cent

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## LETTER FROM YU MING

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YU MING INVESTMENT MANAGEMENT LIMITED  
禹銘投資管理有限公司

*To the FDG Shareholders*

26 July, 2021

Dear Sir or Madam,

**VOLUNTARY CONDITIONAL CASH OFFER BY  
YU MING INVESTMENT MANAGEMENT LIMITED  
ON BEHALF OF VICTORY SUMMIT GLOBAL LIMITED  
TO ACQUIRE ALL THE ISSUED SHARES OF  
FDG KINETIC LIMITED  
(OTHER THAN THOSE SHARES ALREADY OWNED OR AGREED  
TO BE ACQUIRED BY VICTORY SUMMIT GLOBAL LIMITED AND  
PARTIES ACTING IN CONCERT WITH IT)**

### INTRODUCTION

Reference is made to the Announcement in relation to the Offer. The Offeror notified FDG Kinetic on 24 June 2021 (after trading hours) that Yu Ming will, on behalf of the Offeror, make a voluntary conditional cash offer to acquire all of the Shares (other than those Shares already owned or agreed to be acquired by the Offeror and its Concert Parties).

This letter sets out, amongst other things, details of the terms of the Offer, the intention of the Offeror regarding the FDG Group and the information on the Offeror. Further details of the terms of the Offer are set out in the section headed “Further terms and procedures of acceptance of the Offer” in Appendix I to this Offer Document, of which this letter forms part, and in the accompanying Form of Acceptance.

Pursuant to the Takeovers Code, FDG Kinetic is required to despatch the Response Document within 14 days after the posting of this Offer Document. FDG Shareholders are advised to read this Offer Document and the Response Document before taking any action in respect of the Offer.

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## LETTER FROM YU MING

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### THE OFFER

The Offer is being made by Yu Ming, on behalf of the Offeror, on the following basis:

#### Principal terms of the Offer

**For each Offer Share. . . . . HK\$0.0043 in cash**

The Offer Shares to be acquired under the Offer shall be fully paid and shall be acquired free from all encumbrances and together with all rights attaching to them as at the Closing Date or subsequently becoming attached to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the Closing Date. As at the Latest Practicable Date, based on public information available, the Offeror is not aware of any outstanding dividend declared but unpaid by FDG Kinetic. In the event that any dividends or distributions are declared, paid or made by FDG Kinetic before the Closing Date, the amount of such dividends or other distributions will be deducted from the Offer Price.

Based on the published information of FDG Kinetic available to the public as at the Latest Practicable Date, there are 6,753,293,913 Shares in issue. As at the Latest Practicable Date, the Offeror and its Concert Parties are not interested in any Shares.

The Offer Price of HK\$0.0043 per Offer Share represents:

- (i) a discount of approximately 64.17% to the closing price of HK\$0.012 per Share as quoted on the Stock Exchange on the date of the Offer Letter;
- (ii) a discount of approximately 64.17% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days prior to the date of the Offer Letter of approximately HK\$0.012 per Share;
- (iii) a discount of approximately 76.11% to the closing price of HK\$0.018 per Share as quoted on the Stock Exchange on the Last Trading Day and the Latest Practicable Date;
- (iv) a discount of approximately 76.11% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day of HK\$0.018 per Share;
- (v) a discount of approximately 73.13% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day of approximately HK\$0.016 per Share;
- (vi) a discount of approximately 77.37% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the thirty (30) consecutive trading days up to and including the Last Trading Day of approximately HK\$0.019 per Share;

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## LETTER FROM YU MING

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- (vii) a discount of approximately 81.30% to the closing price of HK\$0.023 per Share as quoted on the Stock Exchange on 14 April 2020, being the last trading day immediately preceding the commencement of the Offer Period; and
- (viii) a premium of approximately HK\$0.0049 over the unaudited consolidated net liabilities per Share as at 30 September 2020 of approximately HK\$0.0006 (which was calculated by dividing the sum of the unaudited consolidated net liabilities of the FDG Group as at 30 September 2020 of approximately HK\$4.0 million by 6,753,293,913 Shares in issue as at the Latest Practicable Date).

The Offer Price was determined by the Offeror after considering the exceptional circumstances of FDG Kinetic including (i) receivers have been appointed over the assets of FDG Kinetic; (ii) a winding up petition has been filed against FDG Kinetic; (iii) the FDG Group having consolidated net current liabilities of approximately HK\$301.9 million and net liabilities of approximately HK\$4.0 million as at 30 September 2020; (iv) the profit warning announcement for the year ended 31 March 2021 issued by FDG Kinetic on 18 June 2021; and (v) the thin liquidity of the Shares. The Offeror is of the view that the Offer Price of HK\$0.0043 per Offer Share represents a reasonable opportunity for the FDG Shareholders to dispose of their Shares en bloc if they so wish.

Since the Offer Price represents more than a 50% discount to the lesser of (i) the closing price of the Shares on the Last Trading Day and (ii) the 5 day average closing price prior to the same date, the Offer Price does not comply with the requirement set out in the Note to the definition of “Offer” under the Takeovers Code. In light of the exceptional circumstances of FDG Kinetic as explained above, the Offeror has made an application to the Executive to seek his waiver to comply with the relevant note, and such waiver has been granted by the Executive.

### **Highest and Lowest Share Prices**

During the six-month period immediately prior to and including the Last Trading Day, the highest closing price per Share as quoted on the Stock Exchange was HK\$0.035 on 4 January 2021 and the lowest closing price per Share as quoted on the Stock Exchange was HK\$0.011 on 23 June 2021.

### **Value of the Offer**

Based on the published information of FDG Kinetic available to the public as at the Latest Practicable Date, there are 6,753,293,913 Shares in issue and FDG Kinetic has no other relevant securities (as defined in note 4 of Rule 22 of the Takeovers Code).

On the basis of the Offer Price of HK\$0.0043 per Offer Share and assuming that there is no change in issued share capital of FDG Kinetic prior to the close of the Offer and the Offer is accepted in full, the Offer is valued at approximately HK\$29,039,164.

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

The Offeror intends to finance the Offer by its internal funding.

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## LETTER FROM YU MING

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Yu Ming, the financial adviser to the Offeror in respect of the Offer, is satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer.

### Conditions to the Offer

The Offer is conditional on the satisfaction or waiver of the following conditions:

1. valid acceptances of the Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the First Closing Date (or such later time or date as the Offeror may, subject to the Takeovers Code, decide) in respect of such number of Shares which, together with Shares acquired or agreed to be acquired before or during the Offer, will result in the Offeror and its Concert Parties together holding not less than 50% of the voting rights of FDG Kinetic;
2. the Shares remaining listed and traded on the Stock Exchange on the First Closing Date and no indication being received on or before the First Closing Date from the SFC and/or the Stock Exchange to the effect that the listing of the Shares on the Stock Exchange is or is likely to be withdrawn; and
3. FDG Kinetic not being ordered to be wound up by the High Court of Hong Kong or the court of Bermuda before the First Closing Date.

Save for Conditions 2 and 3 above which are waivable by the Offeror, other Condition cannot be waived. In the event that Conditions 2 and 3 are not satisfied on the First Closing Date, the Offeror will determine whether it will waive such Conditions on the same date.

The Offeror reserve the right to revise the terms of the Offer in accordance with the Takeovers Code.

**WARNING: The Offer may or may not become unconditional as to acceptance and will lapse if it does not become unconditional. Accordingly, FDG Shareholders and prospective investors of FDG Kinetic are advised to exercise caution when dealing in the securities of FDG Kinetic. Persons who are in doubt as to the action they should take should consult their professional advisers.**

### Effect of Accepting the Offer

Acceptance of the Offer will constitute a warranty to the Offeror by each person accepting it that the Shares acquired under the Offer and sold by such persons are free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them as at the Closing Date or subsequently becoming attached to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the Closing Date. In the event that any dividends or distributions are declared, paid or made by FDG Kinetic before the Closing Date, the amount of such dividends or other distributions will be deducted from the Offer Price.

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## LETTER FROM YU MING

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Acceptance of the Offer would be irrevocable and would not be capable of being withdrawn, subject to the provisions of the Takeovers Code. Rule 17 of the Takeovers Code provides that an acceptor of the Offer shall be entitled to withdraw his/her/its acceptance after 21 days from the First Closing Date of the Offer if the Offer has not by then become unconditional as to acceptances.

### **Taxation advice**

FDG 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 Offer. None of the Offeror, its Concert Parties, Yu Ming and their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offer accepts any responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

### **Overseas FDG Shareholders**

The Offeror intend to make the Offer available to all FDG Shareholders, including those who are not resident in Hong Kong. The availability of the Offer to persons who are not resident in Hong Kong may be affected by the laws of the relevant overseas jurisdictions. The making of the Offer to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or affected by the laws or regulations of the relevant jurisdictions. Such FDG Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe relevant applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the responsibility of the individual FDG Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any regulatory or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due in respect of such jurisdictions).

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

### **Stamp Duty**

In Hong Kong, seller's ad valorem stamp duty arising in connection with acceptance of the Offer will be payable by each FDG Shareholder who accepts the Offer at the rate of 0.1% of the market value of the Offer Shares or consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, will be deducted from the cash amount payable by the Offeror to such FDG Shareholder on acceptance of the Offer (where the stamp duty calculated includes a fraction of HK\$1, the stamp duty would be rounded-up to the nearest HK\$1). The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of relevant FDG Shareholders accepting the Offer and whose

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## LETTER FROM YU MING

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Offer Shares have been acquired by that Offeror, and will pay the buyer's ad valorem stamp duty in connection with such Offer Shares and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

With effect from 1 August 2021, the seller's ad valorem stamp duty will be increased to a rate of 0.13%.

### **Payment**

Payment in cash in respect of acceptances of the Offer, net of seller's Hong Kong ad valorem stamp duty, will be made as soon as possible but in any event within seven (7) Business Days (as defined under the Takeovers Code) from the date on which (i) the duly completed acceptances of the Offer and the relevant documents of title of the Shares in respect of such acceptances are received by or for the Offeror to render each such acceptance complete and valid; or (ii) when the Offer has become or is declared unconditional in all respects, whichever is later.

### **Close of the Offer**

The Offer is subject to the Conditions as set out in the paragraph headed "Conditions to the Offer" above in this letter. In accordance with Rule 15.1 of the Takeovers Code, the Offer will be open for acceptance for at least 28 days following the despatch of this Offer Document. Pursuant to Rule 15.3 of the Takeovers Code, where a conditional offer becomes or is declared unconditional (whether as to acceptances or in all respects), it should remain open for acceptances for not less than 14 days thereafter. When an offer becomes or is declared unconditional in all respects, at least 14 days' notice in writing must be given before the offer is closed to those shareholders who have not accepted the offer. As disclosed in the section headed "Expected timetable" in this Offer Document, the First Closing Date is Monday, 23 August 2021.

Assuming that the Offer becomes or is declared unconditional on the First Closing Date, the Final Closing Date will be on Monday, 6 September 2021. If the Conditions are not satisfied or waived on or before the First Closing Date, the Offer may lapse. The Offeror will issue an announcement stating whether the Offer has been revised or extended or lapsed, by 7:00 p.m. on the First Closing Date in accordance with the Takeovers Code. The latest time at which the Offeror can declare the Offer unconditional as to acceptances is 7:00 p.m. on the 60th day after the posting of this Offer Document (or such later date to which the Executive may consent).

If the Conditions are satisfied or waived, the FDG Shareholders will be notified by way of an announcement in accordance with the Takeovers Code and the Listing Rules as soon as practicable thereafter.

Further terms of the Offer, including, amongst others, the procedures of acceptance and settlement, the acceptance period and taxation matters are set out in "Further terms and procedures of acceptance of the Offer" in Appendix I to this Offer Document and the accompanying Form of Acceptance.



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## LETTER FROM YU MING

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### INFORMATION ON THE OFFEROR

The Offeror is a company incorporated in the British Virgin Islands with limited liability. The Offeror is an investment holding company wholly-owned by Mr. Xu, its sole director.

Mr. Xu, aged 37, has over 15 years of experience in financial and corporate management. Mr. Xu has been an executive director and the chief executive officer of Man Sang International Limited, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 938) since July 2019 and September 2019, respectively. Previously, Mr. Xu served as an executive director of CWT International Limited, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 521) from December 2014 to June 2019 and held various senior management positions including the co-chairman, the chief executive officer, the executive president, the chairman of the nomination committee, the chairman of the executive committee and the chairman of investment committee during his term of service. Mr. Xu was also a non-executive director of 8088 Investment Holdings Limited, the shares of which are listed on GEM of the Stock Exchange (stock code: 8088) from November 2016 to September 2019, and a director of HY Energy Group Co., Ltd., an A-Shares listed company on the Shanghai Stock Exchange (stock code: 600387), from May 2018 to May 2019.

Mr. Xu holds a bachelor's degree in Financial Administration from University of Winnipeg, Canada and an EMBA Degree from the City University of Hong Kong.

### DEALINGS AND INTERESTS IN FDG KINETIC

None of the Offeror, its ultimate beneficial owners, and parties acting in concert with any of them has dealt in any Shares, options, derivatives, warrants or other relevant securities convertible (as defined in Note 4 to Rule 22 of the Takeovers Code) into Shares during the Relevant Period.

### INTENTIONS OF THE OFFEROR IN RELATION TO THE FDG GROUP

As at the Latest Practicable Date, the Offeror intends to continue the existing businesses of the FDG Group. As at the Latest Practicable Date, the Offeror has no plan to inject any assets or businesses into the FDG Group or to procure the FDG Group to acquire or dispose of any assets.

Immediately after the close of the Offer, the Offeror will conduct a review of the financial position and operations of the FDG Group in order to formulate a long-term strategy for the FDG Group and explore other business/investment opportunities for enhancing its future development and strengthening its revenue bases.

As at the Latest Practicable Date, the Offeror has not identified such investment or business opportunities. As at the Latest Practicable Date, the Offeror has no intention to terminate the employment of any employees of the FDG Group or to make significant changes to any employment or to dispose of or re-allocate the FDG Group's assets which are not in the ordinary and usual course of business of the FDG Group. The Offeror will



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## LETTER FROM YU MING

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determine the constitution of the board of directors of FDG Kinetic after the close of the Offer. Further announcement will be made by the Offeror and/or FDG Kinetic in compliance with the Listing Rules and Takeovers Code in this regard.

On 17 May 2021, the Offeror, FDG Kinetic and the Receivers and Managers entered into a MoU, pursuant to which, among other matters, the Offeror, FDG Kinetic and the Receivers and Managers shall, subject to applicable conditions precedent, enter into a formal agreement for the Proposed Capital Enlargement by the end of 2 weeks' period following the result of the Offer.

In the event that the Offer becomes or is declared unconditional, the Offeror intends to proceed with the Proposed Capital Enlargement after the close of the Offer.

In the event that the Offer does not become or is not declared unconditional, under Rule 31.1(a) of the Takeovers Code, the Offeror may not acquire Shares that would trigger another offer of FDG Kinetic within 12 months from the date on which the Offer lapses. Therefore, the Offeror may not be able to proceed with the Proposed Capital Enlargement if the Offer does not become unconditional and lapses.

As disclosed in the announcement of FDG Kinetic dated 20 July 2021, on 19 July 2021, FDG Kinetic was notified by the Stock Exchange of the following guidance for resumption of trading in the Shares (the “**Resumption Guidance**”):

- a) publish all outstanding financial results required under the Listing Rules and address any audit modifications;
- b) demonstrate FDG Kinetic's compliance with Rule 13.24 of the Listing Rules; and
- c) inform the market of all material information for FDG Kinetic's shareholders and investors to appraise FDG Kinetic's position.

Trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 2 July 2021. If FDG Kinetic fails to remedy the issue causing its trading suspension, fulfill the Resumption Guidance and fully comply with the Listing Rules to the Stock Exchange's satisfaction and resume trading in its shares by 1 January 2023, the Listing Division of the Stock Exchange will recommend the Listing Committee of the Stock Exchange to proceed with the cancellation of FDG Kinetic's listing.

In the event that the Resumption Guidance is not fulfilled and trading in the Shares on the Stock Exchange remains suspended on the First Closing Date, the Offeror will determine whether it will waive Condition 2 as set out in the paragraph headed “Conditions to the Offer” in this letter on the same date.

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## LETTER FROM YU MING

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### **Maintaining the Listing Status of FDG Kinetic**

The Offeror has no intention to privatise the FDG Group and intend to maintain the listing of the Shares on the Stock Exchange. The Offeror has undertaken to the Stock Exchange to take appropriate steps to ensure that not less than 25% of the entire issued share capital of FDG Kinetic will continue to be held by the public following the close of the Offer.

The Stock Exchange has stated that if, upon closing of the Offer, less than the minimum prescribed percentage applicable to FDG Kinetic, being 25% of the issued Shares, are held by the public or if the Stock Exchange believes that:

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

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

### **COMPULSORY ACQUISITION**

The Offeror does not intend to avail itself of any power of compulsory acquisition of any Shares outstanding after the Closing Date.

### **GENERAL**

To ensure equality of treatment of all FDG Shareholders, those FDG Shareholders who hold the Shares as nominees for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. In order for the beneficial owners of the Shares whose investments are registered in nominee names to accept the Offer, it is essential that they provide instructions of their intentions with regard to the Offer to their nominees. To accept the Offer, FDG Shareholders should complete and sign the accompany Form of Acceptance in accordance with the instructions printed thereon. The Form of Acceptance forms part of the terms of the Offer. The duly completed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) must be sent by post or by hand to the Receiving Agent in an envelope marked "FDG Kinetic Limited — Offer" by no later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine or announce with the consent of the Executive in accordance with the Takeovers Code. All documents and cheques for payment to the FDG Shareholders will be sent to them by ordinary post at their own risk to their addresses as they appear in the register of members of FDG Kinetic or, in the case of joint FDG Shareholders, to the FDG Shareholder whose name appears first in the register of members of FDG Kinetic, as applicable, unless otherwise specified in the accompanying Form of Acceptance completed, returned and received by the Receiving Agent. None of the Offeror, FDG Kinetic nor any of their respective directors or any other person involved in the Offer will be responsible for any loss or delay in transmission or any other liabilities that may arise as a result thereof.

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**LETTER FROM YU MING**

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**ADDITIONAL INFORMATION**

Your attention is drawn to the additional information set out in the appendices which form part of this Offer Document.

**FDG Shareholders are reminded to review the Response Document (including the letter of recommendation from the independent board committee of FDG Kinetic and the letter of advice from the independent financial adviser to be contained therein) before making an informed decision to accept or not to accept the Offer.**

Yours faithfully,  
For and on behalf of  
**Yu Ming Investment Management Limited**  
**Warren Lee**  
*Managing Director*

**PROCEDURES OF ACCEPTANCE OF THE OFFER**

To accept the Offer, you should duly complete and sign the accompanying Form of Acceptance in accordance with the instructions printed thereon, which instructions form part of the terms of the 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 Shares is/are in your name, and you wish to accept the Offer in respect of your Shares (whether in full or in part), you must deliver the duly completed and signed Form of Acceptance 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 Shares for which you intend to accept the Offer, by post or by hand, to the Receiving Agent, Union Registrars Limited, at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong marked “FDG Kinetic Limited — Offer” on the envelope so as to reach the Receiving Agent as soon as possible but in any event by no later than 4:00 p.m. on the Closing Date or such later time(s) and/or date(s) as the Offeror may determine and announce with the consent of the Executive 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 Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Offer in respect of your 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 Shares for which you intend to accept the Offer with the nominee company, or other nominee, and with instructions authorising it to accept the Offer on your behalf and requesting it to deliver the Form of Acceptance 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 Shares to the Receiving Agent; or
  - (ii) arrange for the Shares to be registered in your name by FDG Kinetic through the Registrar, and deliver the duly completed and signed Form of Acceptance 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 Shares for which you intend to accept the Offer to the Receiving Agent; or

- (iii) if your 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 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 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 a transfer of any of your Shares for registration in your name and have not yet received your share certificate(s), and you wish to accept the Offer in respect of those Shares, you should nevertheless duly complete and sign the Form of Acceptance and deliver it to the Receiving Agent together with the transfer receipt(s), if any, duly signed by yourself and/or other document(s) of title or entitlement in respect thereof (as the case may be). Such action will constitute an irrevocable authority to the Offeror and/or its respective agent(s) to collect from FDG Kinetic or the Registrar on your behalf the relevant share certificate(s) when issued and to deliver such share certificate(s) to the Receiving Agent on your behalf and to authorise and instruct the Receiving Agent to hold such share certificate(s), subject to the terms and conditions of the Offer, as if it was/they were delivered to the Receiving Agent with the Form of Acceptance.
- (d) 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 Shares is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the Offer in respect of any of your Shares, the Form of Acceptance should nevertheless be duly completed and delivered to the Receiving Agent 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 Shares or that it is/they are not readily available. If you 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 (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares should be forwarded to the Receiving Agent 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 (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of

your Shares, you should report the loss to the Registrar and request the Registrar to replace your share certificate(s). You should also write to the Receiving Agent requesting a letter of indemnity which, when completed in accordance with the instructions given therein, should be returned to the Receiving Agent. The Offeror shall have the absolute discretion to decide whether any 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 Offer will be treated as valid only if the duly completed and signed Form of Acceptance is received by the Receiving Agent at or before the latest time for acceptance of the Offer and the Receiving Agent 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 Shares for which you intend to accept the Offer and, if that/those 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) 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 of the Offer executed by the registered holder) in order to establish your right to become the registered holder of the relevant Shares; or
  - (ii) from a registered FDG 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 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 Form of Acceptance is executed by a person other than the registered FDG Shareholder, appropriate documentary evidence of authority (e.g. grant of probate or certified copy of a power of attorney) to the satisfaction of the Receiving Agent and the Offeror must be produced.

- (g) Seller's ad valorem stamp duty payable by the FDG Shareholders who accept the Offer and calculated at a rate of 0.1% of the market value of the Shares or consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is the higher (rounded up to the nearest of HK\$1.00), will be deducted from the amount payable by the Offeror to the relevant FDG Shareholders on acceptance of the Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the FDG Shareholders who accept the Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Shares. FDG Shareholders should note that with effect from 1 August 2021, the seller's ad valorem stamp duty will be increased to a rate of 0.13%.
- (h) If the Offer is invalid, withdrawn or lapses, the Offeror shall, as soon as possible but in any event within ten (10) days thereof, return by ordinary post at the risk of the FDG Shareholders 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 the Shares tendered for acceptance together with the duly cancelled Form of Acceptance to the relevant FDG Shareholder(s).
- (i) No acknowledgement of receipt of any Form of Acceptance 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 Shares tendered for acceptance will be given.

**SETTLEMENT UNDER THE OFFER**

Subject to the Offer becoming or being declared unconditional in all respects and provided that a duly completed Form of Acceptance 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 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 Receiving Agent before the close of the Offer, a cheque for the amount due to each of the FDG Shareholders who accepts the Offer less seller's ad valorem stamp duty in respect of the Shares tendered by him under the Offer will be despatched to such FDG Shareholder by ordinary post at his own risk as soon as possible but in any event within seven (7) Business Days following the later of (i) the date on which the Offer becomes or is declared unconditional in all respects; and (ii) the date of receipt of a duly completed Form of Acceptance together with all of the relevant document(s) by the Receiving Agent to render such acceptance under the Offer complete and valid.



Settlement of the consideration to which any FDG Shareholder is entitled under the 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 setoff, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such FDG Shareholder.

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

#### **ACCEPTANCE PERIOD AND REVISIONS**

Unless the Offer is revised or extended with the consent of the Executive in accordance with the Takeovers Code, to be valid, the Form of Acceptance must be received by the Receiving Agent, in accordance with the instructions printed thereon and in this Offer Document by 4:00 p.m. on the First Closing Date.

If the Offer is revised or extended, the Offeror will issue an announcement in relation to any revision or extension of the Offer, which announcement will state either the next closing date or, a statement that the Offer will remain open until further notice. In the latter case, at least fourteen (14) days' notice in writing must be given, before the Offer is closed, to those FDG Shareholders who have not accepted the relevant Offer. If, in the course of the Offer, the Offeror revises the terms of the Offer, all the FDG Shareholders, whether or not they have already accepted the Offer, will be entitled to accept the revised Offer under the revised terms. A revised offer must be kept open for at least fourteen (14) days following the date on which the revised offer document is posted.

If the First Closing Date is extended, any reference in this Offer Document and/or in the Form of Acceptance to the First Closing Date shall, except where the context otherwise requires, be deemed to refer to the subsequent closing date.

#### **NOMINEE REGISTRATION**

To ensure equality of treatment of all the FDG Shareholders, those FDG Shareholders who hold the 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 Shares whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Offer.



**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, extension, expiry or unconditionality of the Offer. The Offeror must publish an announcement in accordance with the Listing Rules on the Stock Exchange's website by 7:00 p.m. on the Closing Date stating the results of the Offer and whether the Offer has been revised, extended, expired or has become or been declared unconditional (whether as to acceptances or in all respects). The announcement will state the following:

- (a) the total number of Shares for which acceptances of the Offer have been received;
- (b) the total number of Shares held, controlled or directed by the Offeror and the parties acting in concert with it before the Offer Period;
- (c) the total number of Shares acquired or agreed to be acquired during the Offer Period by the Offeror and the 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 FDG Kinetic which the Offeror and/or parties acting in concert with it have borrowed or lent, save for any borrowed Shares which have been either on-lent or sold.

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

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

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

**RIGHT OF WITHDRAWAL**

The Offer is conditional upon the fulfilment of the Conditions as set out in the “Letter from Yu Ming” in this Offer Document. Acceptances of the Offer tendered by the FDG Shareholders, shall be irrevocable and cannot be withdrawn, except in the circumstances set out in this paragraph and the paragraph below. Rule 17 of the Takeovers Code provides that an acceptor of the Offer shall be entitled to withdraw his acceptance after twenty-one (21) days from the First Closing Date (being Monday, 23 August 2021) if the Offer has not by then become unconditional as to acceptances and up to the earlier of such time as the Offer becomes or is declared unconditional as to acceptances and 4:00 p.m. on the 60th day from the date of despatch of this Offer Document (or the date beyond which the Offeror has stated that the Offer will not be extended, if applicable).

Under Rule 19.2 of the Takeovers Code, if the Offeror is unable to comply with the requirements set out in the paragraph headed “Announcements” above, the Executive may require that the holders of Shares who have tendered acceptances to the Offer be granted a right of withdrawal on terms that are acceptable to the Executive until the requirements set out in that paragraph are met.

If an acceptor of the Offer withdraws his/her/its acceptance, the Offeror shall, as soon as possible but in any event within 10 days thereof, return, by ordinary post and at the risk of the relevant acceptor, the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) lodged with the accompanying Form of Acceptance to the relevant FDG Shareholder(s) at their own risk.

**TAXATION**

Seller’s ad valorem stamp duty at a rate of 0.1% of the market value of the Shares or consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher (rounded up to the nearest HK\$1.00), will be deducted from the amount payable to the relevant FDG Shareholder on acceptance of the Offer. The Offeror will arrange for payment of the seller’s ad valorem stamp duty on behalf of the accepting FDG Shareholders in connection with the acceptance of the Offer and the transfer of the Shares.

FDG Shareholders should note that with effect from 1 August 2021, the seller’s ad valorem stamp duty will be increased to a rate of 0.13%.

**GENERAL**

- (a) All communications, notices, Form of Acceptance, the relevant share certificate(s), transfer receipt(s), document(s) of title or entitlement in respect thereof and/or documentary evidence of authority (and/or any satisfactory indemnity or indemnities required in respect thereof) if delivered by or sent to or from the FDG Shareholders or their designated agents by post, shall be posted at their own risk, and none of the Offeror, Yu Ming, the Receiving Agent and other parties involved in the Offer and any of their respective directors, officers, advisers, associates, 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 form part of the terms and conditions of the Offer.
- (c) The accidental omission to despatch this Offer Document and/or Form of Acceptance or either of them to any person to whom the Offer is made will not invalidate the Offer in any way.
- (d) The Offer is, and all acceptances will be, governed by and construed in accordance with the laws of Hong Kong.
- (e) Due execution of the Form of Acceptance will constitute an authority to the Offeror 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 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 Shares in respect of which such person or persons has/have accepted the Offer.
- (f) Subject to the Offer becoming or being declared unconditional in all respects, acceptance of the Offer by any person or persons will be deemed to constitute a representation and warranty by such person or persons to:
  - (i) the Offeror, Yu Ming, that the Shares sold by such person or persons to the Offeror are free from all rights of pre-emption, options, liens, claims, equities, charges, encumbrances and any other third party rights of any nature and together with all rights attached to them as at the Closing Date or subsequently becoming attached to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the Closing Date. In the event that any dividends or distributions are declared, paid or made by FDG Kinetic before the Closing Date, the amount of such dividends or other distributions will be deducted from the Offer Price; and

- (ii) the Offeror and its respective advisers, including Yu Ming, the financial adviser to the Offeror in respect of the Offer, that if such FDG Shareholder accepting the 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 FDG Shareholder is subject to receive and accept the Offer and any revision thereof, and that he/she/it 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 has paid all issue, transfer or other taxes or other required payments payable by him/her in connection with such acceptance, surrender and/or cancellation in any jurisdiction, and that he/she/it has not taken or omitted to take any action which will or may result in the Offeror or its respective advisers, including Yu Ming, 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 Offer or his/her/its acceptance thereof and such acceptance, surrender and/or cancellation shall be valid and binding in accordance with all applicable laws and regulations.
- (g) The Shares will be acquired in the Offer with all rights attached thereto as at the Closing Date or which subsequently become attached thereto, including the right to receive in full all dividends and other distributions, if any, declared, made or paid, on or after the Closing Date and free from all rights of preemption, options, liens, claims, equities, charges, encumbrances and any other third party rights.
- (h) References to the Offer in this Offer Document and in the Form of Acceptance shall include any extension and/or revision thereof.
- (i) In making their decisions with regard to the Offer, the FDG Shareholders should rely on their own examination of the Offeror, the FDG Group and the terms of the Offer, including the merits and risks involved. The contents of this Offer Document, together with the Form of Acceptance, including any general advice or recommendation contained therein shall not be construed as any legal or business advice on the part of the Offeror and/or Yu Ming. The FDG Shareholders should consult their own professional advisers for professional advice.
- (j) The English text of this Offer Document and the accompanying Form of Acceptance shall prevail over the Chinese text for the purpose of interpretation.
- (k) The Offer is made in accordance with the Takeovers Code.

**RESPONSIBILITY STATEMENT**

The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this Offer Document and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this Offer Document have been arrived at after due and careful consideration and there are no other facts not contained in this Offer Document, the omission of which would make any statement in this Offer Document misleading.

**DISCLOSURE OF INTERESTS OF THE OFFEROR**

None of the Offeror, Mr. Xu or their respective Concert Parties had dealt in any Shares, options, derivatives, warrants or other relevant securities convertible (as defined under Note 4 to Rule 22 of the Takeovers Code) into Shares during the Relevant Period.

The Offeror confirms that, as at the Latest Practicable Date:

- (i) neither the Offeror, Mr. Xu or their respective Concert Parties owned or had control or direction over any voting rights in and rights over any Shares;
- (ii) the Offeror, Mr. Xu or their respective Concert Parties had not received any irrevocable commitment to accept or reject the Offer;
- (iii) the Offeror, Mr. Xu or their respective Concert Parties did not hold any convertible securities, warrants or options or securities exchangeable into Shares;
- (iv) the Offeror, Mr. Xu or their respective Concert Parties had not entered into any outstanding derivatives in the securities of FDG Kinetic;
- (v) save for the Conditions as mentioned in the paragraph headed “Conditions to the Offer” in the “Letter from Yu Ming” in this Offer Document, the Offer is not subject to any conditions;
- (vi) there were no arrangements (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code;
- (vii) there were no agreements or arrangements to which the Offeror, Mr. Xu or their respective concert parties is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a condition to the Offer;
- (viii) the Offeror, Mr. Xu or their respective Concert Parties had not borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in FDG Kinetic;
- (ix) there was no understanding, arrangement or agreement which constitutes a special deal (as defined in Rule 25 of the Takeovers Code) in respect of the Offer between any FDG Shareholder; and the Offeror, Mr. Xu or their respective Concert Parties;

- (x) save that FDG Kinetic having entered into a MoU with the Offeror and the Receivers and Managers on 17 May 2021, pursuant to which, among other matters, the Offeror, FDG Kinetic and the Receivers and Managers shall, subject to applicable conditions precedent, enter into a formal agreement for the Proposed Capital Enlargement by the end of 2 weeks' period following the result of the Offer, there is no understanding, arrangement, agreement or special deal between the Offeror, Mr. Xu or their respective Concert Parties on one hand, and FDG Kinetic or parties acting in concert with it on the other hand;
- (xi) there was no agreement, arrangement or understanding that any securities acquired in pursuance of the Offer would be transferred, charged or pledged to any other persons;
- (xii) there was no arrangement whereby benefit (other than statutory compensation) was or will be given to any directors of FDG Kinetic as compensation for loss of office or otherwise in connection with the Offer; and
- (xiii) there was no agreement, arrangement, or understanding (including any compensation arrangement) between the Offeror or any person acting in concert with it and any directors of FDG Kinetic, recent directors of FDG Kinetic, FDG Shareholders or recent FDG Shareholders having any connection with or was dependent upon the Offer.

## MARKET PRICES

The table below shows the closing price of the Shares as quoted on the Stock Exchange on (i) the last day on which trading took place in each of the calendar months during the Relevant Period; (ii) the date of the Offer Letter; (iii) the Last Trading Day; and (iv) the Latest Practicable Date:

Date	Closing price per Share (HK\$)
31 October 2019	0.051
29 November 2019	0.039
31 December 2019	0.053
31 January 2020	0.051
28 February 2020	0.045
31 March 2020	0.025
29 April 2020	0.027
29 May 2020	0.020
30 June 2020	0.029
31 July 2020	0.029
31 August 2020	0.029
30 September 2020	0.038
30 October 2020	0.050
30 November 2020	0.044

Date	Closing price per Share (HK\$)
31 December 2020	0.031
29 January 2021	0.027
26 February 2021	0.027
31 March 2021	0.022
30 April 2021	0.024
31 May 2021	0.022
24 June 2021 (the date of the Offer Letter)	0.012
30 June 2021 (the Last Trading Day)	0.018
23 July 2021 (the Latest Practicable Date)	0.018

During the Relevant Period, the highest closing price per Share as quoted on the Stock Exchange was HK\$0.097 on 14 January 2020 and the lowest closing price per Share as quoted on the Stock Exchange was HK\$0.011 on 23 June 2021.

#### EXPERT AND CONSENT

The following are the name and qualifications of the professional adviser whose letter, opinions or advice are contained or referred to in this Offer Document:

Yu Ming a licensed corporation to carry on type 1 (dealing in securities), 4 (advising on securities), 6 (advising on corporate finance) and 9 (asset management) regulated activities under the SFO

Yu Ming has given and have not withdrawn their written consents to the issue of this Offer Document with the inclusion herein of its advice, letter and/or references to its name in the form and context in which it appears.

#### MISCELLANEOUS

- (a) The principal members of the Offeror's concert group are the Offeror and Mr. Xu.
- (b) Mr. Xu is the sole director of the Offeror.
- (c) The corresponding address of the Offeror's concert group is 17/F, 80 Gloucester Road, Wanchai, Hong Kong.
- (d) The registered office of the Offeror is Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands.
- (e) The registered office of Yu Ming is at Room 1801, 18th Floor, Allied Kajima Building, 138 Gloucester Road, Wanchai, Hong Kong.

**DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are and will be available for inspection (i) on the website of the SFC at [www.sfc.hk](http://www.sfc.hk); and (ii) on the websites of FDG Kinetic at [www.fdgkinetic.com](http://www.fdgkinetic.com) from the date of this Offer Document up to the Closing Date:

- (a) the memorandum and articles of association of the Offeror;
- (b) the letter from Yu Ming, the text of which is set out on page 5 to page 14 of this Offer Document; and
- (c) the letter of consent referred to under the paragraph headed “Expert and consent” in this appendix.