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LEE HING (2021) LIMITED
(formerly known as Classic Prestige Limited)
(Incorporated in the British Virgin Islands with limited liability)

LEE HING DEVELOPMENT LIMITED
(Incorporated in Hong Kong with limited liability)
(Stock Code: 68)

JOINT ANNOUNCEMENT

**(I) VOLUNTARY CONDITIONAL CASH OFFER,
WITH AN ALTERNATIVE TO RECEIVE SHARES IN
LEE HING (2021) LIMITED (FORMERLY KNOWN
AS CLASSIC PRESTIGE LIMITED),
BY KINGKEY SECURITIES GROUP LIMITED ON BEHALF OF
LEE HING (2021) LIMITED (FORMERLY KNOWN
AS CLASSIC PRESTIGE LIMITED)
TO ACQUIRE ALL THE ISSUED SHARES IN
LEE HING DEVELOPMENT LIMITED;
AND
(II) POSSIBLE PRIVATISATION**

Agent making the Offer on behalf of the Offeror



Financial adviser to the Offeror



INCU Corporate Finance Limited

Independent financial adviser to the Independent Board Committee



Octal Capital Limited

THE OFFER

The Board was informed by the Offeror on 5 July 2021 that Kingkey Securities, on behalf of the Offeror, will make a voluntary conditional cash offer, with an alternative to receive shares in the Offeror, to acquire all the Lee Hing Shares.

Irrevocable Undertakings

As at the date of this joint announcement, the Offeror Concert Group (excluding the Offeror, which does not hold any Lee Hing Shares as at the date of this joint announcement, Mr. Tan, Zali International Limited and Zali Capital Limited) in aggregate holds 36,597,000 Lee Hing Shares, representing approximately 24.93% of all the Lee Hing Shares currently in issue. Each of the members of the Offeror Concert Group (excluding the Offeror, Mr. Tan, Zali International Limited and Zali Capital Limited) has given an Irrevocable Undertaking in favour of the Offeror, pursuant to which each of them has undertaken that: (i) it will not sell, transfer, charge, encumber, grant any option or other right over or otherwise dispose of, or permit the sale, transfer, charging, encumbering, granting of any option or other right over or other disposal of any of the Lee Hing Shares held by it or interest in such Lee Hing Shares except under the Offer, or accept any other offer in respect of all or any of the Lee Hing Shares held by it or any other interest in any of such Lee Hing Shares; and (ii) it will duly accept (or procure the acceptance of) the Offer in respect of the Lee Hing Shares held by it in accordance with the terms of the Offer (including to make, or procure the making of, an election for the Share Alternative in respect of such Lee Hing Shares).

According to the terms of each Irrevocable Undertaking, the obligations thereunder of the person giving it shall, without prejudice to any prior breaches, lapse if: (a) this joint announcement is not released by such time and/or date as the Company and the Offeror may agree; (b) the Offeror publicly announces, before the Composite Document is published, that it does not intend to proceed with the Offer; or (c) the Offer has lapsed or been withdrawn and no new, revised or replacement Offer has been announced by the Offeror or its affiliates at the same time. However, pursuant to Rule 5 of the Takeovers Code, except with the consent of the Executive, the Offeror must proceed with the Offer once this joint announcement is published unless the acceptance condition of the Offer is not met; and pursuant to Rule 31.1 of the Takeovers Code, except with the consent of the Executive, no new, revised or replacement Offer may be announced by the Offeror or its affiliates at the same time when the Offer is withdrawn or lapses.

Additionally, the Offeror has confirmed in writing to the Board that Mr. Tan, Zali International Limited and Zali Capital Limited (being the members of the Offeror Concert Group who have not given the Irrevocable Undertakings and who as at the date of this joint announcement hold in aggregate 51,719,000 Lee Hing Shares, representing approximately 35.24% of all the Lee Hing Shares currently in issue) will accept the Offer in respect of all the Lee Hing Shares held by each of them and opt for the Share Alternative.

The Offer Price and the Share Alternative

Kingkey Securities will make the Offer, on behalf of the Offeror, in compliance with the Takeovers Code and on the terms to be set out in the Composite Document. Under the terms of the Offer, a Shareholder may, in respect of its Lee Hing Shares validly tendered for acceptance, elect:

- (a) wholly to receive cash payment; or
- (b) wholly to receive Offeror Shares under the Share Alternative; or
- (c) partly to receive cash payment and partly to receive Offeror Shares under the Share Alternative,

on the following basis:

- (a) For every Lee Hing Share for which cash payment is elected HK\$0.80; or
- (b) For every Lee Hing Share for which
the Share Alternative is opted one Offeror Share

If a Shareholder opts for the Share Alternative (whether wholly or partly in respect of its Lee Hing Shares validly tendered for acceptance), one Offeror Share will be allotted and issued, credited as fully paid, by the Offeror to such Shareholder in respect of each of its Lee Hing Share validly tendered for acceptance under the Offer and for which the Share Alternative is opted, except that Mr. Tan, who has confirmed to accept the Offer and opt for the Share Alternative, will receive 1,478,900 Offeror Shares in respect of 1,479,000 Lee Hing Shares to be tendered by Mr. Tan for acceptance under the Offer such that when taking into account the 100 Offeror Shares currently held by him, Mr. Tan will hold a total of 1,479,000 Offeror Shares upon completion of the Offer which is equal in number to the Lee Hing Shares to be tendered by him for acceptance under the Offer. The Offeror Shares to be issued under the Share Alternative will rank pari passu among themselves and with all Offeror Shares already in issue.

For the purpose of ensuring accuracy of the registered ownership of the Offeror Shares and satisfying compliance requirements applicable to shareholders of a company incorporated in the British Virgin Islands, a Shareholder may opt for the Share Alternative only in respect of such of its Lee Hing Shares as are registered in its own name on the register of members of the Company maintained by the Company's share registrar. Accordingly, where a Shareholder is holding all or part of its Lee Hing Shares via CCASS and wishes to accept the Offer and opt for the Share Alternative in respect of any of such Lee Hing Shares, such Shareholder must instruct its securities dealer/custodian banks to withdraw the relevant Lee Hing Shares from CCASS and arrange for the transfer of the relevant Lee Hing Shares into its own name as soon as possible before the relevant deadline for election. If such Shareholder does not arrange to have the relevant Lee Hing Shares withdrawn from CCASS and transferred in its name as mentioned above, such Shareholder will only receive cash payment in respect of the relevant Lee Hing Shares tendered by it for acceptance.

Any Shareholder who accepts the Offer by returning the form of acceptance, election and transfer (a) opting both to receive cash payment and for the Share Alternative but has failed to indicate an allocation of its Lee Hing Shares between cash payment and the Share Alternative which corresponds to the total number of its Lee Hing Shares tendered for acceptance as indicated in the form of acceptance, election and transfer; or (b) but does not make an election as to receive cash payment and/or for the Share Alternative in respect of all of its Lee Hing Shares tendered for acceptance; or (c) opting for the Share Alternative but has failed to submit all applicable KYC Documents or such additional evidence or documents as may be required by the Offeror, will be treated for the purposes of the election as opting to receive cash payment in respect of all the Lee Hing Shares registered in its name and tendered by it for acceptance.

According to Rule 18.3 of the Takeovers Code, where a firm statement regarding the Offer Price is made, the Offeror will only be allowed to subsequently amend the terms of the Offer in wholly exceptional circumstance. **The Offeror will not increase the Offer Price as set out above. Shareholders and potential investors of the Company should be aware that, following the making of the above statement, the Offeror does not reserve the right to increase the Offer Price.**

The Offer will be extended to all Shareholders in accordance with the Takeovers Code. The Lee Hing Shares to be acquired under the Offer shall be fully paid and free from all Encumbrances and together with all rights and benefits attaching thereto, including all rights to any dividend or other distribution, the record date of which falls on or after the date on which the Offer is made, being the date of the Composite Document. As at the date of this joint announcement, there is no dividend or other distribution that has been declared by the Company but not yet paid or made, and the Company has no intention to declare any dividend or other distribution during the Offer period.

Value of the Offer

Assuming that there is no change in the issued share capital of the Company from the date of this joint announcement up to (and including) the close of the Offer and based on the Offer Price of HK\$0.80 per Lee Hing Share and 146,781,285 Lee Hing Shares in issue as at the date of this joint announcement, the value of the Lee Hing Shares would be HK\$117,425,028.

Assuming that there is no change in the issued share capital of the Company from the date of this joint announcement up to (and including) the close of the Offer and that (a) the members of the Offeror Concert Group elect the Share Alternative and (b) all the Disinterested Shareholders elect to receive cash payment under the Offer, and based on 146,781,285 Lee Hing Shares in issue as at the date of this joint announcement, 58,465,285 Lee Hing Shares shall be subject to the cash payment under the Offer. As such, based on the Offer Price of HK\$0.80 per Lee Hing Share, the amount of cash consideration payable under the Offer would be HK\$46,772,228.

Financial resources available to the Offeror

The Offeror intends to finance and satisfy the cash consideration payable under the Offer by a shareholder's loan advanced to it by Mr. Tan. INCU, being the financial adviser to the Offeror in relation to the Offer, is satisfied that there are sufficient financial resources available to the Offeror to satisfy the cash consideration payable upon full acceptance of the Offer, assuming that none of the Disinterested Shareholders will opt for the Share Alternative and after taking into account the Irrevocable Undertakings and the Offeror's confirmation in writing to the Board that Mr. Tan, Zali International Limited and Zali Capital Limited (being members of the Offeror Concert Group) will accept the Offer in respect of all the Lee Hing Shares held by each of them and opt for the Share Alternative.

Condition of the Offer

The Offer is conditional only upon valid acceptances of the Offer having been received at or before 4:00 p.m. on the First Closing Date in respect of Lee Hing Shares which, together with the Lee Hing Shares acquired or agreed to be acquired before or during the Offer, will result in the Offeror and parties acting in concert with it holding not less than 70% of all the Lee Hing Shares then in issue. Such condition is not waivable by the Offeror. Upon the Offer becoming unconditional following the fulfilment of such condition, the Offer will remain open for acceptance until the expiry of a period of four months after the posting of the Composite Document for the purpose of allowing the Offeror to acquire further Lee Hing Shares to entitle it to exercise its compulsory acquisition rights as further particularised in the section headed "Compulsory acquisition rights and withdrawal from listing" below. If such condition is not fulfilled, the Offer will lapse in accordance with the Takeovers Code.

In accordance with Rule 15.3 of the Takeovers Code, the Offeror must publish an announcement when the Offer becomes or is declared unconditional as to acceptances and when the Offer becomes or is declared unconditional in all respects.

COMPULSORY ACQUISITION RIGHTS AND WITHDRAWAL FROM LISTING

If the Offeror acquires such number of Lee Hing Shares under the Offer as represents not less than 90% of all the Lee Hing Shares (by virtue of the acceptances of the Offer or otherwise) and not less than 90% of all the Lee Hing Shares held by the Disinterested Shareholders within, but not exceeding, the period of 4 months after the posting of the Composite Document, the Offeror intends to privatise the Company by exercising the compulsory acquisition rights to which it is entitled under Rule 2.11 of the Takeovers Code and Subdivision 2 of Division 4 of Part 13 of the Companies Ordinance to acquire the remaining Lee Hing Shares held by the Disinterested Shareholders, following which the listing of the Company on the Main Board of the Stock Exchange will be withdrawn pursuant to the Listing Rules. The Company will comply with the relevant requirements of the Listing Rules in this regard. For the Lee Hing Shares that may be acquired by the Offeror exercising its compulsory acquisition rights as mentioned above, the Offeror will settle the consideration at the Offer Price wholly in cash. Sellers' and buyers' Hong Kong ad valorem stamp duty for the Lee Hing Shares arising in connection with the compulsory acquisition of Lee Hing Shares by the Offeror as mentioned above will be borne solely by the Offeror.

Whilst it is the intention of the Offeror to privatise the Company, the Offeror's ability to exercise rights of compulsory acquisition in respect of the Lee Hing Shares is dependent on the level of acceptance of the Offer reaching the prescribed level under Subdivision 2 of Division 4 of Part 13 of the Companies Ordinance and on the requirements of Rule 2.11 of the Takeovers Code being satisfied. If the Lee Hing Shares validly tendered for acceptance under the Offer are less than 90% of all the Lee Hing Shares or less than 90% of all the Lee Hing Shares held by the Disinterested Shareholders, the Lee Hing Shares will remain listed on the Main Board of the Stock Exchange. In any event, the trading in the Lee Hing Shares will remain suspended and the listing of the Lee Hing Shares will eventually be cancelled by the Stock Exchange if the Company cannot re-comply with Rule 13.24 of the Listing Rules on or before the expiration of the 18-month period, i.e. by 16 September 2022.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all independent non-executive Directors who have no direct or indirect interest in the Offer, namely Mr. Ho Hau Chong, Norman, Mr. Fung Ka Pun and Mr. Lim Lay Leng, has been established in accordance with Rules 2.1 and 2.8 of the Takeovers Code to advise and give a recommendation to the Disinterested Shareholders as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer.

Octal Capital has been appointed as the independent financial adviser by the Company with approval of the Independent Board Committee to advise the Independent Board Committee in respect of the Offer and as to its acceptance.

DESPATCH OF THE COMPOSITE DOCUMENT

It is the intention of the Offeror and the Company to combine the offer document and the Company's board circular in the Composite Document to be posted.

Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document setting out, among others, (i) further details of the Offer; (ii) the recommendation from the Independent Board Committee; (iii) a letter of advice from the Independent Financial Adviser in respect of the Offer; and (iv) the relevant form(s) of acceptance, election and transfer, is required to be despatched to the Shareholders within 35 days after the date of this joint announcement or such later date as the Executive may consent to. Further announcement(s) will be made when the Composite Document is despatched.

CONTINUED SUSPENSION OF TRADING

Trading in the Lee Hing Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 17 March 2021 and will remain suspended.

WARNING

Shareholders and potential investors of the Company should note that the implementation of the Offer is subject to the fulfilment of the condition of the Offer. Thus, the Offer may or may not become or be declared unconditional. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult a licensed securities dealer or registered institutions in securities, bank manager, solicitor, professional accountant or other professional advisers.

THE OFFER

The Board was informed by the Offeror on 5 July 2021 that Kingkey Securities, on behalf of the Offeror, will make a voluntary conditional cash offer, with an alternative to receive shares in the Offeror, to acquire all the Lee Hing Shares.

As at the date of this joint announcement:

- (a) there are 146,781,285 Lee Hing Shares in issue;
- (b) the Company:
 - (i) does not have any options, derivatives, warrants or securities which are convertible or exchangeable into Lee Hing Shares or which confer rights to require the issue of Lee Hing Shares;
 - (ii) has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Lee Hing Shares or which confer rights to require the issue of Lee Hing Shares; and
 - (iii) has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) other than the Lee Hing Shares;
- (c) the Offeror and parties acting in concert with it own, control or have direction over a total of 88,316,000 Lee Hing Shares, representing approximately 60.17% of all the Lee Hing Shares currently in issue; and
- (d) save as mentioned in paragraph (c) above, none of the Offeror and parties acting in concert with it owns, controls or has direction over any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

Irrevocable Undertakings

As at the date of this joint announcement, the Offeror Concert Group (excluding the Offeror, which does not hold any Lee Hing Shares as at the date of this joint announcement, Mr. Tan, Zali International Limited and Zali Capital Limited) in aggregate holds 36,597,000 Lee Hing Shares, representing approximately 24.93% of all the Lee Hing Shares currently in issue. Each of the members of the Offeror Concert Group (excluding the Offeror, Mr. Tan, Zali International Limited and Zali Capital Limited) has given an Irrevocable Undertaking in favour of the Offeror, pursuant to which each of them has undertaken that: (i) it will not sell, transfer, charge, encumber, grant any option or other right over or otherwise dispose of, or permit the sale, transfer, charging, encumbering, granting of any option or other right over or other disposal of any of the Lee Hing Shares held by it or interest in such Lee Hing Shares except under the Offer, or accept any other offer in respect of all or any of the Lee Hing Shares held by it or any other interest in any of such Lee Hing Shares; and (ii) it will duly accept (or procure the acceptance of) the Offer in respect of the Lee Hing Shares held by it in accordance with the terms of the Offer (including to make, or procure the making of, an election for the Share Alternative in respect of such Lee Hing Shares).

According to the terms of each Irrevocable Undertaking, the obligations thereunder of the person giving it shall, without prejudice to any prior breaches, lapse if: (a) this joint announcement is not released by such time and/or date as the Company and the Offeror may agree; (b) the Offeror publicly announces, before the Composite Document is published, that it does not intend to proceed with the Offer; or (c) the Offer has lapsed or been withdrawn and no new, revised or replacement Offer has been announced by the Offeror or its affiliates at the same time. However, pursuant to Rule 5 of the Takeovers Code, except with the consent of the Executive, the Offeror must proceed with the Offer once this joint announcement is published unless the acceptance condition of the Offer is not met; and pursuant to Rule 31.1 of the Takeovers Code, except with the consent of the Executive, no new, revised or replacement Offer may be announced by the Offeror or its affiliates at the same time when the Offer is withdrawn or lapses.

Additionally, the Offeror has confirmed in writing to the Board that Mr. Tan, Zali International Limited and Zali Capital Limited (being the members of the Offeror Concert Group who have not given the Irrevocable Undertakings and who as at the date of this joint announcement hold in aggregate 51,719,000 Lee Hing Shares, representing approximately 35.24% of all the Lee Hing Shares currently in issue) will accept the Offer in respect of all the Lee Hing Shares held by each of them and opt for the Share Alternative.

The Offer Price and the Share Alternative

Kingkey Securities will make the Offer, on behalf of the Offeror, in compliance with the Takeovers Code and on the terms to be set out in the Composite Document. Under the terms of the Offer, a Shareholder may, in respect of its Lee Hing Shares validly tendered for acceptance, elect:

- (a) wholly to receive cash payment; or
- (b) wholly to receive Offeror Shares under the Share Alternative; or
- (c) partly to receive cash payment and partly to receive Offeror Shares under the Share Alternative,

on the following basis:

- (a) For every Lee Hing Share for which cash payment is elected HK\$0.80; or
- (b) For every Lee Hing Share for which the Share Alternative is opted . . . one Offeror Share

If a Shareholder opts for the Share Alternative (whether wholly or partly in respect of its Lee Hing Shares validly tendered for acceptance), one Offeror Share will be allotted and issued, credited as fully paid, by the Offeror to such Shareholder in respect of each of its Lee Hing Share validly tendered for acceptance under the Offer and for which the Share Alternative is opted, except that Mr. Tan, who has confirmed to accept the Offer and opt for the Share Alternative, will receive 1,478,900 Offeror Shares in respect of 1,479,000 Lee Hing Shares to be tendered by Mr. Tan for acceptance under the Offer such that when taking into account the 100 Offeror Shares currently held by him, Mr. Tan will upon completion of the Offer hold a total of 1,479,000 Offeror Shares which is equal in number to the Lee Hing Shares to be tendered by him for acceptance under the Offer. The Offeror Shares to be issued under the Share Alternative will rank pari passu among themselves and with all Offeror Shares already in issue.

For the purpose of ensuring accuracy of the registered ownership of the Offeror Shares and satisfying compliance requirements applicable to shareholders of a company incorporated in the British Virgin Islands, a Shareholder may opt for the Share Alternative only in respect of such of its Lee Hing Shares as are registered in its own name on the register of members of the Company maintained by the Company's share registrar. Accordingly, where a Shareholder is holding all or part of its Lee Hing Shares via CCASS and wishes to accept the Offer and opt for the Share Alternative in respect of any of such Lee Hing Shares, such Shareholder must instruct its securities dealer/custodian banks to withdraw the relevant Lee Hing Shares from CCASS and arrange for the transfer of the relevant Lee Hing Shares into its own name as soon as possible before the relevant deadline for election. If such Shareholder does not arrange to have the relevant Lee Hing Shares withdrawn from CCASS and transferred in its name as mentioned above, such Shareholder will only receive cash payment in respect of the relevant Lee Hing Shares tendered by it for acceptance.

Again, for the purpose of ensuring accuracy of the registered ownership of the Offeror Shares and satisfying compliance requirements applicable to shareholders of a company incorporated in the British Virgin Islands, a Shareholder opting for the Share Alternative in respect of any of its Lee Hing Shares registered in its name on the register of members of the Company must, in addition to a duly completed and executed form of acceptance, election and transfer and the certificate(s) for the Lee Hing Shares being tendered, also lodge the following documents (the “**KYC Documents**”) to comply with the relevant anti-money laundering requirements of the British Virgin Islands (which shall be in English or accompanied by an English translation which is certified as a true translation): (a) if the registered Shareholder is an individual, he/she must provide a certified true copy (certified as a true copy by a solicitor, a certified public accountant or a chartered secretary) of each of (i) his/her valid Hong Kong Identity Card or passport; and (ii) proof of his/her residential address (which shall be issued within the last three months of the date of the acceptance); or (b) if the registered Shareholder is a corporation, it must provide a certified true copy (certified as a true copy by a solicitor, a certified public accountant or a chartered secretary) of each of (i) its certificate of incorporation, (ii) its registration certificate (where applicable); (iii) its constitutional document, (iv) its register of members (or equivalent); (v) its register of directors (or equivalent); (vi) its address proof; (vii) its organization chart (showing up to its ultimate beneficial owners holding 10% shareholding or more and any intermediate holding companies); (viii) for any of the intermediate holding companies as mentioned in item (b)(vii) above, items (b)(i) to (b)(vi) above of such intermediate holding company; and (ix) items (a) (i) to (a)(ii) above of each of its ultimate beneficial owners. The Offeror and the Company reserve the discretion to request additional evidence or documents as may be required for the purpose of complying with the relevant anti-money laundering requirements of the British Virgin Islands.

Any Shareholder who accepts the Offer by returning the form of acceptance, election and transfer (a) opting both to receive cash payment and for the Share Alternative but has failed to indicate an allocation of its Lee Hing Shares between cash payment and the Share Alternative which corresponds to the total number of its Lee Hing Shares tendered for acceptance as indicated in the form of acceptance, election and transfer; or (b) but does not make an election as to cash payment and/or for the Share Alternative in respect of all of its Lee Hing Shares tendered for acceptance; or (c) opting for the Share Alternative but has failed to submit all applicable KYC Documents or such additional evidence or documents as may be required by the Offeror, will be treated for the purposes of the election as opting to receive cash payment in respect of all the Lee Hing Shares registered in its name and tendered by it for acceptance.

The actual number of Offeror Shares to be issued under the Share Alternative will be determined after the latest time for election of cash payment or the Share Alternative under the Offer.

According to Rule 18.3 of the Takeovers Code, where a firm statement regarding the Offer Price is made, the Offeror will only be allowed to subsequently amend the terms of the Offer in wholly exceptional circumstance. **The Offeror will not increase the Offer Price as set out above. Shareholders and potential investors of the Company should be aware that, following the making of the above statement, the Offeror does not reserve the right to increase the Offer Price.**

The Offer will be extended to all Shareholders in accordance with the Takeovers Code. The Lee Hing Shares to be acquired under the Offer shall be fully paid and free from all Encumbrances and together with all rights and benefits attaching thereto, including all rights to any dividend or other distribution, the record date of which falls on or after the date on which the Offer is made, being the date of the Composite Document. As at the date of this joint announcement, there is no dividend or other distribution that has been declared by the Company but not yet paid or made, and the Company has no intention to declare any dividend or other distribution during the Offer period.

The Offeror Shares are shares of an unlisted company incorporated in British Virgin Islands. The Offeror is an investment holding company incorporated in the British Virgin Islands with limited liability on 18 May 2021 and set up solely for the purposes of implementation of the Offer and the intended privatisation. Its issued share capital comprises 100 Offeror Shares which are owned by Mr. Tan. As at the date of this joint announcement, the assets of the Offeror mainly comprise cash in the sum of approximately HK\$54 million representing the cash advanced by Mr. Tan to finance the Offer while the major liabilities of the Offeror comprises the shareholder's loan from Mr. Tan for the Offer of the same amount. Further information of the Offeror are set out in the section headed "Information on the Offeror" below.

Assuming all the Shareholders accept the Offer, the Company will be a wholly-owned subsidiary and the sole operating subsidiary of the Offeror and the value of each Offeror Share will primarily be determined by the value of the Offeror and the Company. Details of the estimates of value of each Offeror Share will be set out in the Composite Document.

The Shareholders should note that **the Offeror is a company incorporated in the British Virgin Islands and the holders of Offeror Shares (including those Shareholders who will be allotted and issued Offeror Shares under the Share Alternative) will enjoy the rights and benefits attaching to the Offeror Shares as afforded under the relevant laws of the British Virgin Islands and the memorandum and articles of association of the Offeror. Given that there is no intention to seek a listing of the Offeror Shares on any stock exchange, the Offeror Shares will be relatively illiquid and the holders of**

Offeror Shares will not be protected by any rules and regulations of any stock exchange or securities regulatory authorities. Moreover, section 4.1 of the Introduction to The Codes on Takeovers and Mergers and Share Buy-backs provides that The Codes on Takeovers and Mergers and Share Buy-backs apply to takeovers, mergers and share buy-backs affecting, among others, public companies in Hong Kong and section 4.2 of the Introduction to The Codes on Takeovers and Mergers and Share Buy-backs provides that in order to determine whether a company is a public company in Hong Kong, the Executive will take into account the number of Hong Kong shareholders and the extent of share trading in Hong Kong and other factors. If, upon the close of the Offer, the Offeror is determined by the Executive to be a “public company in Hong Kong”, the Offeror will be subject to The Codes on Takeovers and Mergers and Share Buy-backs.

Comparison of value

The Offer Price of HK\$0.80 represents:

- (a) a premium of approximately 53.9% over the closing price of HK\$0.52 per Lee Hing Share quoted on the Stock Exchange on 16 March 2021, being the Last Trading Day;
- (b) a premium of approximately 28.6% over the average closing price of approximately HK\$0.622 per Lee Hing Share quoted on the Stock Exchange for the 5 consecutive trading days immediately prior to and including the Last Trading Day;
- (c) a discount of approximately 3.7% to the average closing price of approximately HK\$0.831 per Lee Hing Share quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to and including the Last Trading Day;
- (d) a discount of approximately 28.7% to the average closing price of approximately HK\$1.122 per Lee Hing Share quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Day;
- (e) a discount of approximately 28.4% to the average closing price of approximately HK\$1.118 per Lee Hing Share quoted on the Stock Exchange for the 60 consecutive trading days immediately prior to and including the Last Trading Day;
- (f) a discount of approximately 63.7% to the audited consolidated net assets attributable to owners of the Company per Lee Hing Share of approximately HK\$2.2019 as at 31 December 2020, calculated based on the Group’s audited consolidated net assets attributable to owners of the Company of approximately HK\$323,203,000 as at 31 December 2020 and 146,781,285 Lee Hing Shares in issue as at the date of this joint announcement; and

- (g) a discount of approximately 57.2% to the unaudited consolidated net assets attributable to owners of the Company per Lee Hing Share of approximately HK\$1.8692 as at 30 June 2021, calculated based on the Group's unaudited consolidated net assets attributable to owners of the Company of approximately HK\$274,370,000 as at 30 June 2021 and 146,781,285 Lee Hing Shares in issue as at the date of this joint announcement.

The Offer Price has been determined on a commercial basis after taking into account (i) the historical trading prices of the Lee Hing Shares as quoted on the Stock Exchange, in particular, the period after publication of the announcement of the Company dated 5 March 2021 regarding re-compliance with Rule 13.24 of the Listing Rules; and (ii) the fact that the Lee Hing Shares are currently suspended from trading.

Highest and lowest Lee Hing Share prices

During the six-month period from 17 September 2020 up to and including the Last Trading Day:

- (a) the highest closing price of the Lee Hing Shares quoted on the Stock Exchange was HK\$1.36 per Lee Hing Share on 17 September 2020; and
- (b) the lowest closing price of the Lee Hing Shares quoted on the Stock Exchange was HK\$0.52 per Lee Hing Share on 16 March 2021.

Settlement of consideration

Consideration of the Offer will be settled by way of (in respect of acceptances for which the Share Alternative is not opted) cash payment or (in respect of acceptances for which the Share Alternative is opted) allotment and issue of Offeror Shares and posting of the cheques or (as applicable) the share certificates of the Offeror by ordinary post to the relevant Shareholders will be made as soon as possible but in any event within seven business days (as defined in the Takeovers Code) following the later of the date on which the Offer becomes, or is declared, unconditional and the duly completed acceptances of the Offer and the relevant documents of title in respect of such acceptances are received by the Offeror (or its agent) to render each such acceptance complete and valid.

Value of the Offer

Assuming that there is no change in the issued share capital of the Company from the date of this joint announcement up to (and including) the close of the Offer and based on the Offer Price of HK\$0.80 per Lee Hing Share and 146,781,285 Lee Hing Shares in issue as at the date of this joint announcement, the value of the Lee Hing Shares would be HK\$117,425,028.

Assuming that there is no change in the issued share capital of the Company from the date of this joint announcement up to (and including) the close of the Offer and that (a) the members of the Offeror Concert Group elect the Share Alternative and (b) all the Disinterested Shareholders elect to receive cash payment under the Offer, and based on 146,781,285 Lee Hing Shares in issue as at the date of this joint announcement, 58,465,285 Lee Hing Shares shall be subject to the cash payment under the Offer. As such, based on the Offer Price of HK\$0.80 per Lee Hing Share, the amount of cash consideration payable under the Offer would be HK\$46,772,228.

Financial resources available to the Offeror

The Offeror intends to finance and satisfy the cash consideration payable under the Offer by a shareholder's loan advanced to it by Mr. Tan. INCU, being the financial adviser to the Offeror in relation to the Offer, is satisfied that there are sufficient financial resources available to the Offeror to satisfy the cash consideration payable upon full acceptance of the Offer, assuming that none of the Disinterested Shareholders will opt for the Share Alternative and after taking into account the Irrevocable Undertakings and the Offeror's confirmation in writing to the Board that Mr. Tan, Zali International Limited and Zali Capital Limited (being members of the Offeror Concert Group) will accept the Offer in respect of all the Lee Hing Shares held by each of them and opt for the Share Alternative.

Condition of the Offer

The Offer is conditional only upon valid acceptances of the Offer having been received at or before 4:00 p.m. on the First Closing Date in respect of Lee Hing Shares which, together with the Lee Hing Shares acquired or agreed to be acquired before or during the Offer, will result in the Offeror and parties acting in concert with it holding not less than 70% of all the Lee Hing Shares then in issue. Such condition is not waivable by the Offeror. Upon the Offer becoming unconditional following the fulfilment of such condition, the Offer will remain open for acceptance until the expiry of a period of four months after the posting of the Composite Document for the purpose of allowing the Offeror to acquire further Lee Hing Shares to entitle it to exercise its compulsory acquisition rights as further particularised in the section headed "Compulsory acquisition rights and withdrawal from listing" below. If such condition is not fulfilled, the Offer will lapse in accordance with the Takeovers Code.

In accordance with Rule 15.3 of the Takeovers Code, the Offeror must publish an announcement when the Offer becomes or is declared unconditional as to acceptances and when the Offer becomes or is declared unconditional in all respects.

Effect of accepting the Offer

Acceptance of the Offer by any Shareholder will be deemed to constitute a warranty by such person that all Lee Hing Shares sold by such person under the Offer are free from all Encumbrances and are sold together with all rights attaching to them, including all rights to any dividend or other distribution, the record date of which falls on or after the date on which the Offer is made, being the date of the Composite Document.

Acceptance of the Offer would be irrevocable and would not be capable of being withdrawn, except as permitted under the Takeovers Code.

Stamp Duty

Sellers' and buyers' Hong Kong ad valorem stamp duty for the Lee Hing Shares arising in connection with the acceptances of the Offer will be borne solely by the Offeror.

Taxation 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 Offer. None of the Offeror, parties acting in concert with it, the Company, Kingkey Securities, INCU, the Independent Financial Adviser and their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

Overseas Disinterested Shareholders

The Offeror intends to make the Offer available to all Disinterested Shareholders, including those who are resident outside Hong Kong.

However, the Offer is in respect of securities of a company incorporated in Hong Kong and is subject to the procedural and disclosure requirements of Hong Kong which may be different from other jurisdictions. Overseas Disinterested Shareholders who wish to participate in the Offer but with a registered address outside Hong Kong may be subject to, and may be limited by, the laws and regulations of their respective jurisdictions in connection with their participation in the Offer.

Overseas Disinterested Shareholders and beneficial owners of Lee Hing Shares 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 in respect of the Offer. It is the responsibility of Overseas Disinterested Shareholders and overseas beneficial owners of Lee Hing Shares who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due in respect of such jurisdictions).

Any acceptance by any Overseas Disinterested Shareholders and overseas beneficial owners of Lee Hing Shares will be deemed to constitute a representation and warranty from such Overseas Disinterested Shareholders or overseas beneficial owners of Lee Hing Shares, as applicable, to the Offeror that the local laws and requirements have been complied with. Overseas Disinterested Shareholders and overseas beneficial owners of Lee Hing Shares should consult their own professional advisers if in doubt.

Offeror Exit Arrangements

Upon the close of the Offer, all the members of the Offeror Concert Group, the other Disinterested Shareholders who validly accept the Offer and opt for the Share Alternative, and the Offeror will enter into the Shareholders' Agreement relating to the Offeror whose main purpose is to provide exit arrangements for each of the Entitled Shareholders (as defined below) (the "**Offeror Exit Arrangements**"). The entering into of the Shareholders' Agreement will be a condition of opting for the Share Alternative by the Shareholders. By signing the form of acceptance, election and transfer and validly electing the Share Alternative, a Shareholder will be deemed to have agreed to enter into the Shareholders' Agreement and authorised any director of the Offeror as its agent to sign the Shareholders' Agreement on its behalf. Under the Offeror Exit Arrangements, the Offeror will be obliged to offer to repurchase in cash, in respect of each shareholder of the Offeror (excluding Mr. Tan, Zali International Limited and Zali Capital Limited, the entire issued share capital of both of which is ultimately beneficially owned by Mr. Tan) (the "**Entitled Shareholders**"), all (but not part) of the Offeror Shares held by the Entitled Shareholders in the manner described below.

(a) *Underlying assets of the Offeror Exit Arrangements – PureCircle Shares*

As at the date of this joint announcement, the major assets of the Group comprise, among others, 36,746,277 ordinary B shares (the “**PureCircle Shares**”) in PureCircle Limited (formerly known as Ingredion SRSS Holdings Limited) (“**PureCircle**”), an investment holding company of Ingredion Incorporated (“**Ingredion**”) incorporated in England and Wales specifically for the purposes of the London Listco Privatisation (as defined below), representing approximately 8.21% of the ordinary shares of PureCircle in issue. Further information of the major assets of the Group are set out in the section headed “Information on the Group” below.

Based on the consolidated management accounts of the Company for the six months ended 30 June 2021, these PureCircle Shares had a carrying value of approximately HK\$178,600,000 and represented approximately 40.6% of the total assets of the Group as at 30 June 2021. The PureCircle Shares were acquired by the Group pursuant to a scheme of arrangement effected in 2020 for the privatisation (the “**London Listco Privatisation**”) by Ingredion of PureCircle Limited (“**London Listco**”), a company incorporated in Bermuda having the same name as PureCircle and whose issued shares were listed on the Main Market of the London Stock Exchange plc before the London Listco Privatisation. London Listco is a producer and innovator of stevia sweeteners for the global food and beverage industry. Ingredion is headquartered in the Chicago, Illinois metropolitan area and is a leading global ingredient solutions provider serving customers in more than 120 countries. Upon the conclusion of the London Listco Privatisation, London Listco became wholly owned by PureCircle. At the same time, Ingredion’s shareholding in PureCircle decreased from 100% to 75% upon the allotment and issue of new shares in PureCircle to the shareholders of the London Listco who elected to receive such new shares in exchange for their shares in the London Listco under the London Listco Privatisation. Further particulars of the London Listco Privatisation are set out in the section headed “Letter from the Board – The Scheme and the Acquisition” on pages 11 to 31 of the circular of the Company dated 23 July 2020.

(b) *PureCircle Exit Arrangements*

A shareholders’ agreement dated 9 April 2020 (the “**PureCircle Shareholders’ Agreement**”) between Ingredion, the minority investors of PureCircle (which includes the wholly owned subsidiary of the Company holding the PureCircle Shares) (the “**Minority Investors**”) and PureCircle were entered into to provide for certain arrangements applicable after the London Listco Privatisation was successfully implemented. Among those arrangements are the following exit arrangements (the “**PureCircle Exit Arrangements**”) which allow or (as the case may be) require the Minority Investors to sell their shares of PureCircle to Ingredion:

	Nature	Relevant period/Exercise period
“Annual Purchase Offer”	an annual offer during each year in the relevant period to be made by Ingredion to the Minority Investors to purchase their shares of PureCircle	four years starting from 1 January 2022 and expiring on 31 December 2025
“Put Option”	an option granted to the Minority Investors to require Ingredion to purchase their shares of PureCircle	four years starting from 1 January 2022 and expiring on 31 December 2025
“Call Option”	an option granted to Ingredion to require the Minority Investors to sell their shares of PureCircle to Ingredion	after 1 July 2025

(i) Annual Purchase Offer

- annually with effect from 1 January 2022 and for three consecutive years thereafter (namely in total for a period of four years starting from 1 January 2022 and expiring on 31 December 2025), Ingredion shall notify the Minority Investors of the number of the shares of PureCircle it is willing to purchase that year, which will be equal to at least 6.25% of the total issued shares of PureCircle;
- Ingredion will be obliged to offer to buy such shares of PureCircle in accordance with the fair price mechanism set out in the PureCircle Shareholders’ Agreement (namely, the fair value of the PureCircle Shares as assessed by Ingredion unless a Minority Investor refers determination of the fair price to an independent valuer who will be required to apply the valuation methodology as mentioned in sub-paragraph (ii) (*Valuation methodology*) below). The PureCircle Shareholders’ Agreement does not specify any basis on which Ingredion shall determine the fair value of the PureCircle Shares;

- the number of PureCircle shares to be offered by Ingredion to purchase in each of those years under the Annual Purchase Offer shall be reduced by such number of PureCircle shares which has in that year (other than the year expiring on 31 December 2025 ^(Note)) been put to Ingredion in accordance with the Put Option; and

Note: The Directors believe that PureCircle Shares put to Ingredion upon exercise of the Put Option by the Minority Investors in the year expiring on 31 December 2025 is deliberately excluded from calculating the 6.25% minimum of PureCircle Shares which Ingredion is obliged to purchase from the Minority Investors for that year under the Annual Purchase Offer. In the year expiring on 31 December 2025, the Minority Investors may exercise the Put Option to require Ingredion to purchase any remaining PureCircle Shares held by the Minority Investors. In view of this mechanism which allows the Minority Investors (by exercising the Put Option) to put to Ingredion all the remaining PureCircle Shares held by them, it is not necessary to deduct the number of PureCircle Shares which may be put to Ingredion by the Minority Investors under the Put Option in that year from the 6.25% minimum of PureCircle Shares to be offered to buy by Ingredion from the Minority Investors for that year under the Annual Purchase Offer.

- each Minority Investor will have the right (but not the obligation) to sell to Ingredion its pro-rata percentage of the number of shares of PureCircle which Ingredion offers to purchase in the relevant year at the fair price determined by the fair price mechanism described above.

(ii) Valuation methodology

The valuation methodology specified in the PureCircle Shareholders' Agreement to be applied by the independent valuer as mentioned above is that the "fair price" following referral to the independent valuer shall be the price in US\$ determined on discounted cash flows based on recent past performance of PureCircle and projected five year cash flows of PureCircle which the independent valuer determines to be the fair value of the shares of PureCircle (on a per share of PureCircle basis) as at the date of the relevant notice on a sale as between a willing seller and a willing purchaser (taking no account of whether the shares do or do not carry control of PureCircle or result in Ingredion having a greater level of control as a result of the acquisition of the shares) and, if PureCircle is then carrying on business as a going concern, on the assumption that it will continue to do so. The "relevant notice" referred to above means the relevant notice that may be served (as the case may be): (a) by Ingredion on the Minority Investors under the Annual Purchase Offer in the relevant year; (b) by Ingredion on the Minority Investors when and if Ingredion exercises the Call Option; or (c) by a Minority Investor on Ingredion when and if the Minority Investor exercises the Put Option.

(iii) Put Option and Call Option

The Put Option is exercisable during a period of four years starting from 1 January 2022 and expiring on 31 December 2025. During such period: (a) in each of the three consecutive years commencing on 1 January 2022 and expiring on 31 December 2024, the Minority Investors may exercise the Put Option to require Ingredion to purchase, in aggregate, 6.25% of the issued shares of PureCircle; and (b) in the year commencing on 1 January 2025 and expiring on 31 December 2025, the Minority Investors may exercise the Put Option to require Ingredion to purchase any remaining shares of PureCircle. The Company will take into account numerous factors (including mainly, but not limited to, the financial performance of PureCircle and the book value of PureCircle Shares held by the Group) to decide whether to exercise the Put Option, which is exercisable once annually during the period from 1 January 2022 and expiring on 31 December 2025, and how many PureCircle Shares to be put to Ingredion upon each exercise.

After 1 July 2025, Ingredion will be able to exercise the Call Option to require each Minority Investor to sell to Ingredion any shares of PureCircle that the Minority Investor still owns.

The shares of PureCircle held by the Minority Investors shall be acquired under the Put Option and/or the Call Option in accordance with the fair price mechanism set out in the PureCircle Shareholders' Agreement (which shall be the fair value of the PureCircle Shares as assessed by Ingredion unless a Minority Investor refers determination of the fair price to an independent valuer who will be required to apply the same valuation methodology as mentioned in sub-paragraph (ii) (*Valuation methodology*) above). The PureCircle Shareholders' Agreement does not specify any basis on which Ingredion shall determine the fair value of the PureCircle Shares.

Further particulars of the PureCircle Shareholders' Agreement and the PureCircle Exit Arrangements are set out in the paragraph headed "Letter from the Board – The Scheme and the Acquisition – The Bidco Shareholders' Agreement" on pages 24 to 29 of the circular of the Company dated 23 July 2020.

(c) *How the Offeror Exit Arrangements work*

The particulars of the Offeror Exit Arrangements are as follows:

- assuming the Offer becomes unconditional, the Offeror will become a shareholder of the Company with such percentage shareholding as will depend on the level of acceptance of the Offer. In any event (including where the proposed privatisation of the Company succeeds or not), the proceeds (the “**Proceeds**”) that may be received by the Group from Ingredion arising from the disposal of PureCircle Shares by the Group to Ingredion pursuant to the PureCircle Exit Arrangements will be distributed by way of cash dividend to the then shareholders of the Company in proportion to their respective shareholding in the Company at that time. The Offeror will be entitled to such part of the Proceeds based on its then shareholding in the Company. Those Shareholders who do not accept the Offer will, unless already disposed of all the Lee Hing Shares after the Offer period, remain as shareholders of the Company and will also be entitled to participate in the distribution of the Proceeds by the Company in the above manner;
- within three months after receipt of all Proceeds by the Group, the Offeror shall procure the Company to produce its audited consolidated balance sheet as at the last day of the month in which all of the Proceeds are received by the Group (the “**Audited Balance Sheet**”);
- the Offeror shall serve on each of the Entitled Shareholders within 30 days after the Audited Balance Sheet is available a written offer to repurchase the Offeror Shares setting out, among others, the number of Offeror Shares subject to the repurchase offer (i.e. the number of Offeror Shares held by the relevant Entitled Shareholder at that time as recorded in the Offeror’s register of members) and the total consideration payable therefor, together with a copy of the Audited Balance Sheet;
- the consideration for each Offeror Share to be repurchased will be equal to 70% of the proportional share of an Offeror Share of the consolidated net asset value of the Company as shown in the Audited Balance Sheet, as calculated by the following formula:

$$C = \frac{NAV \times SH \times 70\%}{TN}$$

whereas:

“C” means the consideration payable by the Offeror for each Offeror Share

“NAV” means the consolidated net asset value of the Company as shown in the Audited Balance Sheet

- “SH” means the then percentage shareholding of the Offeror in the Company
- “TN” means the total number of Offeror Shares then in issue
- “70%” represents 70% of the consideration to the NAV set by the Offeror ^(Note)

Note: The consolidated net asset value of the Company as shown in the Audited Balance Sheet will take into account not only the value of the PureCircle Shares held by the Group but also the value of all other assets of the Group (including shares in IGB Berhad). In addition, the Offeror intends to retain a portion of the Proceeds that will be distributed to it by the Company as general working capital for the Group’s continued operation. Therefore, the Offeror considers that setting the consideration at 70% of the consolidated net asset value of the Company as shown in the Audited Balance Sheet is reasonable.

- the consideration will be paid to the accepting Entitled Shareholders within 30 days from the receipt by the Offeror of the written acceptance together with the certificate for the relevant Offeror Shares and the duly completed and signed transfer document from the accepting Entitled Shareholder;
- the consideration will be funded by the Proceeds;
- based on the timeline of the PureCircle Exit Arrangements (as defined below), it is expected that the repurchase offer under the Offeror Exit Arrangements will be made in the first half of 2026;
- for the avoidance of doubt, only one repurchase offer will be made by the Offeror to the Entitled Shareholders under the Offeror Exit Arrangements; and
- pursuant to the Shareholders’ Agreement, the Offeror is obliged to supply each Offeror Shareholder with a copy of its audited accounts within three weeks (or such longer period as the board of directors of the Offeror may decide) of their being approved by the board of directors of the Offeror.

All material terms of the Shareholders’ Agreement have been disclosed above. The Shareholders’ Agreement does not contain any special rights that may be enjoyed by Mr. Tan and parties acting in concert with him. The form of the Shareholders’ Agreement will be set out in the Composite Document.

The parties to the Shareholders' Agreement (including all the shareholders of the Offeror) will, by signing the Shareholders' Agreement (by themselves or through their respective agents), confirm or (as applicable) be deemed to have confirmed that they have given their written consent to the Offeror Exit Arrangements to be effected by way of repurchase of the Offeror Shares by the Offeror.

The Offeror will also amend its articles of association to incorporate the terms of the Offeror Exit Arrangements as set out in the Shareholders' Agreement. The amendments to the articles of association of the Offeror will provide further protections to the shareholders of the Offeror as afforded by the amended articles of association of the Offeror and the relevant laws of the British Virgin Islands on top of the Shareholders' Agreement with regard to the terms of the Offeror Exit Arrangements. Moreover, since any repurchase of the Offeror Shares that may be made by the Offeror in accordance with its amended articles of association will be a repurchase made as required by, and in accordance with, the terms and conditions attached to the Offeror Shares without any further prior agreement of the shareholders of the Offeror Shares, it will qualify as an Exempt Share Buy-back as defined in the Codes on Takeovers and Mergers and Share Buy-backs. A summary of certain major provisions of the memorandum of association and the amended articles of association of the Offeror is set out in the Appendix to this joint announcement. The full text of the amended articles of association of the Offeror will be set out in the Composite Document.

Mr. Tan, Zali International Limited and Zali Capital Limited will undertake in favour of the Offeror not to accept any offer made by the Offeror in accordance with the amended articles of association of the Offeror to repurchase their Offeror Shares as they intend to continue to hold their Offeror Shares.

Any shareholder of the Offeror who does not accept the repurchase offer under the Offeror Exit Arrangements will remain as a shareholder of the Offeror and a party to the Shareholders' Agreement and continue to enjoy the rights and benefits attaching to the Offeror Shares it holds and to be subject to its rights and obligations under the Shareholders' Agreement. The Offeror does not have any obligation to make another repurchase offer for the Offeror Shares, whether under the Shareholders' Agreement, its amended articles of association or otherwise.

Shareholders who opt for the Share Alternative will be able to enjoy the benefits of the Offeror Exit Arrangements under the Shareholders' Agreement. However, the consideration payable under the Offeror Exit Arrangements, and that under the PureCircle Exit Arrangements (including the Put Option and the Call Option) are yet to be determined. Hence, the consideration payable under the Offeror Exit Arrangements may be higher or lower than the Offer Price under the Offer. Further, in the event that (i) the Group decides not to sell any PureCircle Shares to Ingredion under the Annual Purchase Offers and not to exercise the Put Option and (ii) Ingredion decides not to exercise the Call Option, no Proceeds will be received by the Group as a result of which no repurchase offer under the Offeror Exit Arrangements will be made by the Offeror. The Group will therefore remain as a shareholder of PureCircle.

COMPULSORY ACQUISITION RIGHTS AND WITHDRAWAL FROM LISTING

If the Offeror acquires such number of Lee Hing Shares under the Offer as represents not less than 90% of all the Lee Hing Shares (by virtue of the acceptances of the Offer or otherwise) and not less than 90% of all the Lee Hing Shares held by the Disinterested Shareholders within, but not exceeding, the period of 4 months after the posting of the Composite Document, the Offeror intends to privatise the Company by exercising the compulsory acquisition rights to which it is entitled under Rule 2.11 of the Takeovers Code and Subdivision 2 of Division 4 of Part 13 of the Companies Ordinance to acquire the remaining Lee Hing Shares held by the Disinterested Shareholders, following which the listing of the Company on the Main Board of the Stock Exchange will be withdrawn pursuant to the Listing Rules. The Company will comply with the relevant requirements of the Listing Rules in this regard. For the Lee Hing Shares that may be acquired by the Offeror exercising its compulsory acquisition rights as mentioned above, the Offeror will settle the consideration at the Offer Price wholly in cash. To each Disinterested Shareholder holding any Lee Hing Share(s) to which the compulsory acquisition applies (other than any such Disinterested Shareholder who cannot be found), subject to the production of the relevant documents of title or indemnity to the Company's satisfaction, consideration for such Lee Hing Shares will be settled by cheque to be posted by ordinary post as soon as possible but in any event within seven business days (as defined in the Takeovers Code) following the expiry of the two month period specified in section 696 of the Companies Ordinance which will commence from the date of giving of the notice by the Offeror to such Disinterested Shareholder for acquiring its Lee Hing Shares served pursuant to section 693 of the Companies Ordinance. For any Disinterested Shareholder who cannot be found, the Offeror will pay the consideration it is entitled to receive to the Company who will hold it on trust for such Disinterested Shareholder in accordance with section 698 of the Companies Ordinance. Sellers' and buyers' Hong Kong ad valorem stamp duty for the Lee Hing Shares arising in connection with the compulsory acquisition of Lee Hing Shares by the Offeror as mentioned above will be borne solely by the Offeror.

Whilst it is the intention of the Offeror to privatise the Company, the Offeror's ability to exercise rights of compulsory acquisition in respect of the Lee Hing Shares is dependent on the level of acceptance of the Offer reaching the prescribed level under Subdivision 2 of Division 4 of Part 13 of the Companies Ordinance and on the requirements of Rule 2.11 of the Takeovers Code being satisfied. If the Lee Hing Shares validly tendered for acceptance under the Offer are less than 90% of all the Lee Hing Shares or less than 90% of all the Lee Hing Shares held by the Disinterested Shareholders, the Lee Hing Shares will remain listed on the Main Board of the Stock Exchange. In any event, the trading in the Lee Hing Shares will remain suspended and the listing of the Lee Hing Shares will eventually be cancelled by the Stock Exchange if the Company cannot re-comply with Rule 13.24 of the Listing Rules on or before the expiration of the 18-month period, i.e. by 16 September 2022.

OFFEROR'S INTERESTS IN SECURITIES OF THE COMPANY

The Offeror confirms that, as at the date of this joint announcement:

- (a) the Offeror and parties acting in concert with it owns an aggregate of 88,316,000 Lee Hing Shares. Save as aforesaid, none of the Offeror and parties acting in concert with it owns or has control or direction over any voting rights or rights over the Lee Hing Shares or convertible securities, warrants, options of the Company or any derivatives in respect of such securities;
- (b) none of the Offeror, nor any party acting in concert with it has dealt for value in any Lee Hing Shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities in the six months prior and up to the date of this joint announcement;
- (c) save for (i) the Irrevocable Undertakings, (ii) the Offeror's confirmation in writing to the Board that Mr. Tan, Zali International Limited and Zali Capital Limited will accept the Offer in respect of all the Lee Hing Shares held by each of them and opt for the Share Alternative and (iii) the Shareholders' Agreement, there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Lee Hing Shares and which might be material to the Offer;
- (d) there is no agreement or arrangement to which the Offeror, or any party acting in concert with it, is a party which relates to circumstances in which the Offeror may or may not invoke or seek to invoke a pre-condition or a condition to the Offer;
- (e) none of the Offeror and any party acting in concert with it has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company;
- (f) other than the Irrevocable Undertakings, none of the Offeror and any party acting in concert with it has received any irrevocable commitment to accept or reject the Offer;
- (g) there is no outstanding derivative in respect of the securities in the Company entered into by the Offeror or any parties acting in concert with it;
- (h) there is no other consideration, compensation or benefit in whatever form paid or to be paid by the Offeror or parties acting in concert with it to the Shareholders or parties acting in concert with any of them in relation to the Lee Hing Shares under the Offer, other than (in case of elections to receive cash payment under the Offer) such cash payment and (in case of the Share Alternative) the allotment and issue of Offeror Shares;

- (i) save for the Irrevocable Undertakings and the Shareholders' Agreement, there is no other understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeover Code) between the Offeror or any party acting in concert with it and any other person; and
- (j) save for (i) the Irrevocable Undertakings, (ii) the Offeror's confirmation in writing to the Board that Mr. Tan, Zali International Limited and Zali Capital Limited will accept the Offer in respect of all the Lee Hing Shares held by each of them and opt for the Share Alternative and (iii) the Shareholders' Agreement, there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeover Code) between (i) any shareholder of the Company; and (ii)(A) the Offeror and any parties acting in concert with it or (ii)(B) the Company, its subsidiaries or associated companies (as defined in the Takeovers Code).

INFORMATION ON THE GROUP

The Company was incorporated in Hong Kong with limited liability and its issued shares are listed on the Main Board of the Stock Exchange. The principal activities of the Group are property investment, property development, investment holding and sale and purchase of securities.

As at the date of this joint announcement, the major assets of the Group comprise 35,829,816 ordinary shares in IGB Berhad, representing approximately 3.99% of all ordinary shares in IGB Berhad currently in issue, and 36,746,277 PureCircle Shares, representing approximately 8.21% of all shares in PureCircle currently in issue. Based on the consolidated management accounts of the Company for the six months ended 30 June 2021, the shares in IGB Berhad and the PureCircle Shares held by the Group had a carrying value of approximately HK\$137,354,000 and HK\$178,600,000 respectively and represented approximately 31.2% and 40.6% respectively of the total assets of the Group as at 30 June 2021. Depending on the market conditions and the availability of funding to the Group, the Group may from time to time in its ordinary and usual course of business dispose of shares in IGB Berhad held by it through on market transactions on Bursa Malaysia Securities Berhad or through private placements by way of block trade(s) conducted through reputable financial institutions in Malaysia as placing agents. Further details of the possible disposal of shares in IGB Berhad by the Group are set out in the Company's announcement dated 16 February 2021.

IGB Berhad is a company incorporated in Malaysia, whose principal activities mainly consist of property investment and management, owner and operator of malls, hotel operations, property development, construction, information and communication technology services, the provision of engineering services for water treatment plants and related services, education, investment holdings and management of a real estate investment trust, and whose issued shares are listed on the Main Market of Bursa Malaysia Securities Berhad.

Information on PureCircle is set out in the paragraph headed “The Offer – Offeror Exit Arrangements – Underlying assets of the Offeror Exit Arrangements – PureCircle Shares” in this joint announcement.

The following table is a summary of certain audited consolidated financial information of the Group for the three financial years ended 31 December 2020 as extracted from the annual reports of the Company for the years ended 31 December 2019 and 31 December 2020 and certain unaudited consolidated financial information of the Group for the six months ended 30 June 2021 as extracted from the interim report of the Company for the six months ended 30 June 2021:

	For the six months ended/ As at 30 June 2021	For the year ended/ As at 31 December		
	<i>HK\$'000</i> (unaudited)	2020 <i>HK\$'000</i> (audited)	2019 <i>HK\$'000</i> (audited)	2018 <i>HK\$'000</i> (audited)
Revenue and income	940	17,024	20,160	13,361
(Loss) before tax	(46,273)	(446,492)	(481,609)	(1,193,951)
(Loss) attributable to owners of the Company	(46,280)	(446,497)	(481,656)	(1,193,974)
(Loss) per Lee Hing Share (HK cents) Basic and diluted	(31.53)	(304.19)	(328.15)	(813.42)
Net assets	274,370	323,203	771,280	1,239,526

SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) as at the date of this joint announcement; and (ii) immediately after completion of the Offer (assuming that the Offer is fully accepted by the Disinterested Shareholders):

	As at the date of this joint announcement		Immediately after completion of the Offer (assuming that the Offer is fully accepted by the Disinterested Shareholders)	
	Number of Lee Hing Shares	Approximate %	Number of Lee Hing Shares	Approximate %
<i>Offeror Concert Group:</i>				
Offeror	–	–	146,781,285	100.00
Mr. Tan	1,479,000	1.00	–	–
Wah Seong Enterprises Sdn. Bhd. (Note 1)	2,100,000	1.43	–	–
Zali International Limited (Note 2)	14,386,000	9.80	–	–
Zali Capital Limited (Note 2)	35,854,000	24.43	–	–
Ms. Connie Cheng Wai Ka (Note 3)	10,000	0.01	–	–
Ms. Tan Mei Sian (Note 4)	1,490,500	1.02	–	–
Mr. Tan Yee Seng (Note 4)	1,490,500	1.02	–	–
Petaling Garden (Note 5)	29,006,000	19.76	–	–
TKY Sdn. Bhd. (Note 6)	2,500,000	1.70	–	–
sub-total:	88,316,000	60.17	146,781,285	100
Public Shareholders	58,465,285	39.83	–	–
	<u>146,781,285</u>	<u>100.00</u>	<u>146,781,285</u>	<u>100.00</u>

Notes:

1. Each of Tan Chin Nam Sdn. Bhd. and TKY Sdn. Bhd. is an ultimate controlling shareholder of Wah Seong Enterprises Sdn. Bhd., ultimately holding approximately 34.56% and 42.51% of all the shares of Wah Seong Enterprises Sdn. Bhd. in issue respectively. Tan Chin Nam Sdn. Bhd. is controlled by the children of the late Mr. Tan Chin Nam, who was the father of Mr. Tan, whereas TKY Sdn. Bhd. is held by the family members of the late Mr. Tan Kim Yeow, who was an uncle of Mr. Tan. The remaining approximately 22.93% of all the shares of Wah Seong Enterprises Sdn. Bhd. in issue are ultimately held as to approximately 0.20% by Mr. Tan, as to approximately 1.20% by the wife of the late Mr. Tan Kim Yeow and as to approximately 21.53% by a number of independent investors, none of whom ultimately holds more than approximately 2%.
2. Each of Zali International Limited and Zali Capital Limited is ultimately beneficially 100% owned by Mr. Tan.
3. Ms. Connie Cheng Wai Ka is the wife of Mr. Tan.
4. Ms. Tan Mei Sian and Mr. Tan Yee Seng are children of Mr. Tan.
5. To the best knowledge, belief and information of the Company having made all reasonable enquiries, Petaling Garden is ultimately controlled by the late Mr. Ang Guan Seng's immediate family members and their respective associates (as defined in the Listing Rules) and parties acting in concert with any of them. Save and except that (a) the late Mr. Ang Guan Seng and the late Mr. Tan Chin Nam, who was the father of Mr. Tan, were business partners and (b) Petaling Garden is holding Lee Hing Shares as at the date of this joint announcement, the late Mr. Ang Guan Seng's immediate family members have no relationship with the Offeror.
6. TKY Sdn. Bhd. is held by the family members of the late Mr. Tan Kim Yeow, who was an uncle of Mr. Tan.
7. Save for Mr. Tan, none of the Directors holds any Lee Hing Shares as at the date of this joint announcement.

INFORMATION ON THE OFFEROR

The Offeror is an investment holding company incorporated in the British Virgin Islands with limited liability on 18 May 2021 and its issued share capital as at the date of this joint announcement comprises 100 Offeror Shares which are owned by Mr. Tan. On 25 June 2021, a shareholder's resolution of the Offeror was passed whereby each one ordinary share of US\$1.00 (whether issued or unissued) was sub-divided into 100 ordinary shares of US\$0.01 each. As a result of the aforesaid share sub-division, the only ordinary share of US\$1.00 then in issue of the Offeror and held by Mr. Tan was sub-divided into 100 ordinary shares of US\$0.01 each of the Offeror (i.e. 100 Offeror Shares). As at the date of this joint announcement, save and except for the 100 Offeror Shares held by Mr. Tan and the Offeror Shares to be issued under the Share Alternative, the Offeror: (a) does not have any options, derivatives, warrants or securities which are convertible or exchangeable into the Offeror Shares or which confer rights to require the issue of the Offeror Shares; (b) has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Offeror Shares or which confer rights to require the issue of Offeror Shares; and (c) has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code). Save for the purposes of the implementation of the Offer and the intended privatisation of the Company, the Offeror is not intended to engage in any business activities. The sole director of the Offeror is Mr. Tan. As at the date of this joint announcement, the assets of the Offeror mainly comprise cash in the sum of approximately HK\$54 million representing the cash advanced by Mr. Tan to finance the Offer while the major liabilities of the Offeror comprise the shareholder's loan from Mr. Tan for the Offer of the same amount.

As at the date of this joint announcement:

- (a) Mr. Tan is the chairman of the Company, an executive Director and a Shareholder holding directly and indirectly an aggregate of 51,719,000 Lee Hing Shares, representing approximately 35.23% of all Lee Hing Shares currently in issue; and
- (b) Mr. Tan and parties acting in concert with him (other than any member of the Group) hold an aggregate of 7,464,089 shares in PureCircle, representing approximately 1.67% of all shares of PureCircle in issue as at the date of this joint announcement.

SHAREHOLDING STRUCTURE OF THE OFFEROR

The following table sets out the shareholding structure of the Offeror (i) as at the date of this joint announcement; (ii) immediately after completion of the Offer (assuming that all Shareholders opt for the Share Alternative under the Offer); and (iii) immediately after completion of the Offer (assuming that only the members of the Offeror Concert Group (excluding the Offeror) opt for the Share Alternative under the Offer):

	As at the date of this joint announcement		Immediately after completion of the Offer (assuming that all Shareholders opt for the Share Alternative under the Offer)		Immediately after completion of the Offer (assuming that only the members of the Offeror Concert Group (excluding the Offeror) opt for the Share Alternative under the Offer)	
	Number of Offeror Shares	Approximate %	Number of Offeror Shares	Approximate %	Number of Offeror Shares	Approximate %
<i>Offeror Concert Group (excluding the Offeror):</i>						
Mr. Tan	100	100.00	1,479,000	1.00	1,479,000	1.67
Wah Seong Enterprises Sdn. Bhd.	-	-	2,100,000	1.43	2,100,000	2.38
Zali International Limited	-	-	14,386,000	9.80	14,386,000	16.29
Zali Capital Limited	-	-	35,854,000	24.43	35,854,000	40.60
Ms. Connie Cheng Wai Ka	-	-	10,000	0.01	10,000	0.01
Ms. Tan Mei Sian	-	-	1,490,500	1.02	1,490,500	1.69
Mr. Tan Yee Seng	-	-	1,490,500	1.02	1,490,500	1.69
Petaling Garden	-	-	29,006,000	19.76	29,006,000	32.84
TKY Sdn. Bhd.	-	-	2,500,000	1.70	2,500,000	2.83
sub-total:	100	100.00	88,316,000	60.17	88,316,000	100.00
Public Shareholders	-	-	58,465,285	39.83	-	-
	<u>100</u>	<u>100.00</u>	<u>146,781,285</u>	<u>100.00</u>	<u>88,316,000</u>	<u>100.00</u>

INTENTION OF THE OFFEROR REGARDING THE GROUP

If the Offeror acquires such number of Lee Hing Shares under the Offer as represents not less than 90% of all the Lee Hing Shares (by virtue of the acceptances of the Offer or otherwise) and not less than 90% of all the Lee Hing Shares held by the Disinterested Shareholders within, but not exceeding, the period of 4 months after the posting of the Composite Document, the Offeror intends to privatise the Company by exercising the compulsory acquisition rights to which it is entitled under Rule 2.11 of the Takeovers Code and Subdivision 2 of Division 4 of Part 13 of the Companies Ordinance to acquire the remaining Lee Hing Shares held by the Disinterested Shareholders, following which the listing of the Company on the Main Board of the Stock Exchange shall be withdrawn pursuant to the Listing Rules. The Company will comply with the relevant requirements of the Listing Rules in this regard. In the event that the Offeror and parties acting in concert with it come to hold 70% or more, but less than 90%, of all the Lee Hing Shares in issue at the close of the Offer, the Lee Hing Shares will remain listed on the Main Board of the Stock Exchange.

The Board currently has five Directors, comprising two executive Directors and three independent non-executive Directors. It is the Offeror's intention that all the independent non-executive Directors shall cease to be Directors with effect from the date on which the withdrawal of the listing of the Company on the Main Board of the Stock Exchange becomes effective following the compulsory acquisition by the Offeror to acquire the remaining Lee Hing Shares held as mentioned in the preceding paragraph (if such withdrawal materialises).

Save as aforesaid, the Offeror does not have any intention to introduce any significant changes to the existing operations and management of the Group, nor does it have any intention to make any significant changes to the continued employment of the Group's employees. Furthermore, Mr. Tan and the Offeror do not currently have any intention to seek a listing of the Offeror Shares or the business of the Group on a stock exchange, whether in Hong Kong or in another jurisdiction.

REASONS FOR, AND THE BENEFITS OF, THE OFFER MADE BY THE OFFEROR

As disclosed in the announcement of the Company dated 5 March 2021, the Company received on that day a letter from the Stock Exchange notifying the Company of its decision that the Company has failed to maintain a sufficient level of operations and assets of sufficient value to support its operations under Rule 13.24 of the Listing Rules to warrant the continued listing of the Lee Hing Shares and that, subject to the right of review, trading of the Lee Hing Shares be suspended under Rule 6.01(3) of the Listing Rules. Accordingly, trading in the Lee Hing Shares has been suspended since 9:00 a.m. on 17 March 2021 pending re-compliance with Rule 13.24 of the Listing Rules by the Company and fulfilment of any resumption guidance that may be set by the Stock Exchange.

Since the suspension of trading, the Company has been trying to identify feasible solutions to re-comply with Rule 13.24 of the Listing Rules, namely, assessing and identifying suitable business to be acquired by the Group which having regard to the existing business of the Group would constitute a reverse takeover of the Company as defined under the Listing Rules. As a result of the COVID-19 pandemic, a lot of businesses have been materially adversely affected in terms of turnover and prospects. Therefore, based on an assessment by the Board having regard to, among others, the prevailing global economic environment, the uncertainties in the operation of businesses posed by the pandemic, the financial position of the Group and the funding need for the acquisition, the Group is facing tremendous challenges in identifying and acquiring a suitable business which is able to meet the relevant requirements of the Listing Rules and completing the acquisition of such business for the purpose of re-complying with Rule 13.24 of the Listing Rules within the 18-month period starting from the date on which the suspension of trading in the Lee Hing Shares commenced. On the other hand, the Stock Exchange is of the view that the securities trading business of the Company, which contributed to approximately 93.80% of the revenue and income of the Group for the year ended 31 December 2020, shall be excluded for the purpose of assessing compliance with Rule 13.24(1) of the Listing Rules. As such, the only alternative for the Company to re-comply with Rule 13.24 of the Listing Rules is to acquire a business which can meet the new listing requirements set out in Chapter 8 of the Listing Rules.

In light of the uncertainty of re-complying with Rule 13.24 of the Listing Rules on or before the expiration of the 18-month period, i.e. by 16 September 2022, it is the belief of the Offeror and Mr. Tan that the Offer is an exit arrangement to the Disinterested Shareholders prior to the expiration of the 18-month period which provides such Shareholders an opportunity either (a) to realise their investment in the Company before the delisting of the Company or (b) to continue as shareholders of the Offeror through opting for the Share Alternative to enjoy any future increase in value of the Offeror Shares. For the avoidance of doubt, if the Offer becomes unconditional but the thresholds for the exercise of the compulsory acquisition rights to which the Offeror may be entitled under Rule 2.11 of the Takeovers Code and Subdivision 2 of Division 4 of Part 13 of the Companies Ordinance are not reached, those Disinterested Shareholders who do not accept the Offer will remain as shareholders of the Company which will become a non-wholly owned subsidiary of the Offeror (with the Offeror holding not less than 70% of its shareholding) upon completion of the Offer (on the basis that the members of the Offeror Concert Group (excluding the Offeror) accept the Offer) and will not be able to enjoy the benefits of the Offeror Exit Arrangements but will remain entitled to any Proceeds which the Company may distribute by way of dividend according to their then shareholding percentage in the Company. Furthermore, there is currently no plan for the Company to seek a new listing on any stock exchange in the foreseeable future if the Company has been privatised or delisted on or before the expiration of the 18-month period, i.e. 16 September 2022.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all independent non-executive Directors who have no direct or indirect interest in the Offer, namely Mr. Ho Hau Chong, Norman, Mr. Fung Ka Pun and Mr. Lim Lay Leng, has been established in accordance with Rules 2.1 and 2.8 of the Takeovers Code to advise and give a recommendation to the Disinterested Shareholders as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer.

Octal Capital has been appointed as the independent financial adviser by the Company with approval of the Independent Board Committee to advise the Independent Board Committee in respect of the Offer and as to its acceptance.

DESPATCH OF THE COMPOSITE DOCUMENT

It is the intention of the Offeror and the Company to combine the offer document and the Company's board circular in the Composite Document to be posted.

Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document setting out, among others, (i) further details of the Offer; (ii) the recommendation from the Independent Board Committee; (iii) a letter of advice from the Independent Financial Adviser in respect of the Offer; and (iv) the relevant form(s) of acceptance, election and transfer, is required to be despatched to the Shareholders within 35 days after the date of this joint announcement or such later date as the Executive may consent to. Further announcement(s) will be made when the Composite Document is despatched.

DEALING DISCLOSURE

All associates (as defined under the Takeovers Code and include persons holding 5% or more of any class of relevant securities) of the Company and the Offeror are hereby reminded to disclose their dealings in the securities of the Company and the Offeror pursuant to the Takeovers Code. In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

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

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

CONTINUED SUSPENSION OF TRADING

Trading in the Lee Hing Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 17 March 2021 and will remain suspended.

WARNING

Shareholders and potential investors of the Company should note that the implementation of the Offer is subject to the fulfilment of the condition of the Offer. Thus, the Offer may or may not become or be declared unconditional. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult a licensed securities dealer or registered institutions in securities, bank manager, solicitor, professional accountant or other professional advisers.

DEFINITIONS

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

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“associate(s)”	has the meaning ascribed to it under the Takeovers Code
“Board”	the board of Directors
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Company”	Lee Hing Development Limited, a company incorporated in Hong Kong with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 68)
“Composite Document”	the composite offer and response document to be jointly issued by the Offeror and the Company to the Shareholders in connection with the Offer in compliance with the Takeovers Code containing, among other things, details of the Offer (accompanied by the form of acceptance, election and transfer) and the respective letters of advice from the Independent Board Committee and the Independent Financial Adviser
“Director(s)”	director(s) of the Company
“Disinterested Shareholder(s)”	Shareholder(s), other than the Offeror and parties acting in concert with it
“Encumbrance(s)”	any claim, option, charge (fixed or floating), mortgage, lien, pledge, equity, adverse interest, encumbrance, right to acquire, right of pre-emption, right of first refusal, title retention or any other third party right, or other security interest or any agreement or arrangement having a similar effect or any agreement to create any of the foregoing

“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
“First Closing Date”	the date to be stated in the Composite Document as the first closing date of the Offer, which is 21 calendar days after the posting of the Composite Document, or any subsequent closing date of the Offer in accordance with the Takeovers Code
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“INCU”	INCU Corporate Finance Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the financial adviser to the Offeror in relation to the Offer
“Independent Board Committee”	the independent board committee of the Board, comprising those Directors as identified in the section headed “Independent Board Committee and Independent Financial Adviser” of this joint announcement and formed for the purpose of advising the Disinterested Shareholders in respect of the Offer
“Independent Financial Adviser” or “Octal Capital”	Octal Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to the Independent Board Committee in respect of the Offer
“Irrevocable Undertaking(s)”	the irrevocable undertaking in writing given by each of the members of the Offeror Concert Group (excluding the Offeror, Mr. Tan, Zali International Limited and Zali Capital Limited) in favour of the Offeror that, among others, it will accept the Offer in respect of all the Lee Hing Shares owned by it and opt for the Share Alternative
“Kingkey Securities”	Kingkey Securities Group Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO, being the agent making the Offer on behalf of the Offeror

“Last Trading Day”	16 March 2021, being the last trading day of the Lee Hing Shares before the publication of this joint announcement
“Lee Hing Share(s)”	issued share(s) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Tan”	Mr. Tan Boon Seng, the chairman of the Company, an executive Director and the sole shareholder of the Offeror as at the date of this joint announcement
“Offer”	the voluntary conditional cash offer, with an alternative to receive shares in the Offeror, to be made by Kingkey Securities, on behalf of the Offeror, to acquire all the issued Lee Hing Shares in accordance with the Takeovers Code
“Offer Price”	the price at which the Offer would be made, being HK\$0.80 per Lee Hing Share
“Offeror”	Lee Hing (2021) Limited (formerly known as Classic Prestige Limited), a company incorporated in the British Virgin Islands with limited liability on 18 May 2021, the entire issued share capital of which is held by Mr. Tan as at the date of this joint announcement, and the offeror under the Offer
“Offeror Concert Group”	the Offeror, Mr. Tan, Wah Seong Enterprises Sdn. Bhd., Zali International Limited, Zali Capital Limited, Ms. Connie Cheng Wai Ka, Ms. Tan Mei Sian, Mr. Tan Yee Seng, Petaling Garden and TKY Sdn. Bhd.
“Offeror Share(s)”	ordinary share(s) with a par value of US\$0.01 each in the Offeror
“Overseas Disinterested Shareholder(s)”	Disinterested Shareholder(s) whose address(es), as shown on the register of members of the Company, is/are outside Hong Kong
“Petaling Garden”	Petaling Garden (S) Pte. Ltd., a company incorporated in the Republic of Singapore and, to the best knowledge, belief and information of the Company having made all reasonable enquiries, ultimately controlled by the late Mr. Ang Guan Seng’s immediate family members and their respective associates (as defined in the Listing Rules) and parties acting in concert with any of them

“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Alternative”	the alternative under the Offer whereby Shareholders who validly tender acceptances to the Offer may opt to receive Offeror Share on an exchange ratio of one Lee Hing Share tendered to one Offeror Share in lieu of cash consideration
“Shareholder(s)”	holder(s) of Share(s)
“Shareholders’ Agreement”	the shareholders’ agreement relating to the Offeror to be entered into between all the members of the Offeror Concert Group, the other Disinterested Shareholders who validly accept the Offer and opt for the Share Alternative, and the Offeror upon completion of the Offer
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“TKY Sdn. Bhd.”	Tan Kim Yeow Sdn. Bhd., a company incorporated in Malaysia with limited liability and held by the family members of the late Mr. Tan Kim Yeow, who was an uncle of Mr. Tan
“HK\$” and “HK cent(s)”	Hong Kong dollar(s) and Hong Kong cent(s), the lawful currency of Hong Kong
“US\$”	United States dollar(s), the lawful currency of the United States of America
“%”	per cent.

By order of the board of directors of
Lee Hing (2021) Limited
 (formerly known as **Classic Prestige Limited**)
Tan Boon Seng
Sole Director

By order of the Board
Lee Hing Development Limited
Tan Boon Seng
Chairman and Managing Director

Hong Kong, 27 August 2021

As at the date of this joint announcement, the Board comprises Mr. Tan Boon Seng and Mr. Chan Kai Kwok, both of whom are executive Directors; Mr. Ho Hau Chong, Norman, Mr. Fung Ka Pun and Mr. Lim Lay Leng, all of whom are independent non-executive Directors.

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

As at the date of this joint announcement, the sole director of the Offeror is Mr. Tan Boon Seng.

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

APPENDIX

Set out below is a summary of certain major provisions of the memorandum of association (the “**Memorandum**”) and the amended articles of association (the “**Articles**”) of the Offeror.

1. **Right of shares**

Each Offeror Share confers upon the shareholder of the Offeror (each an “**Offeror Shareholder**”) the right to one vote at a meeting of the Offeror Shareholders or on any Resolution of Offeror Shareholders, the right to an equal share in any dividend paid by the Offeror, and the right to an equal share in the distribution of the surplus assets of the Offeror on its liquidation.

2. **Amendment of the Memorandum and the Articles**

The Offeror may amend the Memorandum or the Articles by Resolution of Offeror Shareholders or by Resolution of Offeror Directors of the Offeror, save that no amendment may be made by Resolution of Offeror Directors, among others:

- (a) to restrict the rights or powers of the Offeror Shareholders to amend the Memorandum or the Articles;
- (b) to change the percentage of Offeror Shareholders required to pass a resolution of Offeror Shareholders to amend the Memorandum or the Articles;
- (c) in circumstances where the Memorandum or the Articles cannot be amended by the Offeror Shareholders; or
- (d) to the provisions of the Articles on the Offeror Exit Arrangements.

Notwithstanding the foregoing, if at any time the Offeror Shares are divided into different classes, the rights attached to any class may only be varied, whether or not the Offeror is in liquidation, with the consent in writing of or by a resolution passed at a meeting by the holders of not less than 50 percent of the issued Offeror Shares in that class.

3. **Registered shares**

The Offeror shall issue registered shares only and is not authorised to issue bearer shares, convert registered shares to bearer shares or exchange registered shares for bearer shares.

Every Offeror Shareholder is entitled, on request to a certificate signed by a director of the Offeror (each an “**Offeror Director**”) or officer of the Offeror, or any other person authorised by Resolution of Offeror Directors, or under the seal of the Offeror (the “**Seal**”) specifying the number of Offeror Shares held by him and the signature of the Offeror Director, officer or authorised person and the Seal may be facsimiles.

If several persons are registered as joint holders of any Offeror Shares, any one of such persons may give an effectual receipt for any distribution by the Offeror.

4. Redemption of shares

The Offeror may purchase, redeem or otherwise acquire and hold its own shares in such manner and upon such other terms as the Offeror Directors may agree with the relevant Offeror Shareholder(s) save that the Offeror may not purchase, redeem or otherwise acquire its own shares without the consent of Offeror Shareholders whose shares are to be purchased, redeemed or otherwise acquired unless the Offeror is permitted by the BVI Business Companies Act, 2004 (No. 16 of 2004) (the “**Act**”) or any other provision in the Memorandum or the Articles to purchase, redeem or otherwise acquire the shares without their consent.

The Offeror may also purchase, redeem or otherwise acquire and hold its own shares in such manner as prescribed under the Offeror Exit Arrangements.

5. Meetings and consents of shareholders

(a) Convening of meetings

- (i) Any Offeror Director may convene meetings of the Offeror Shareholders at such times and in such manner and places within or outside the British Virgin Islands as the Offeror Director considers necessary or desirable.
- (ii) Upon the written request of Offeror Shareholders entitled to exercise 30 percent or more of the voting rights in respect of the matter for which the meeting is requested the Offeror Directors shall convene a meeting of Offeror Shareholders.

- (iii) The Offeror Director convening a meeting shall give not less than 7 days' notice of a meeting of Offeror Shareholders to:
 - (aa) those Offeror Shareholders whose names on the date the notice is given appear as Offeror Shareholders in the register of members and are entitled to vote at the meeting; and
 - (bb) the other Offeror Directors.
- (iv) A meeting of Offeror Shareholders held in contravention of the requirement to give notice is valid if Offeror Shareholders holding at least 90 percent of the total voting rights on all the matters to be considered at the meeting have waived notice of the meeting and, for this purpose, the presence of an Offeror Shareholder at the meeting shall constitute waiver in relation to all the Offeror Shares which that Offeror Shareholder holds.
- (v) The inadvertent failure of an Offeror Director who convenes a meeting to give notice of a meeting to an Offeror Shareholder or another Offeror Director, or the fact that an Offeror Shareholder or another Offeror Director has not received notice, does not invalidate the meeting.

(b) *Attending by proxy*

- (i) An Offeror Shareholder may be represented at a meeting of Offeror Shareholders by a proxy who may speak and vote on behalf of the Offeror Shareholder.
- (ii) The instrument appointing a proxy shall be produced at the place designated for the meeting before the time for holding the meeting at which the person named in such instrument proposes to vote. The notice of the meeting may specify an alternative or additional place or time at which the proxy shall be presented.
- (iii) The chairman of any meeting at which a vote is cast by proxy or on behalf of any person other than an individual may call for a notarially certified copy of such proxy or authority which shall be produced within 7 days of being so requested or the votes cast by such proxy or on behalf of such person shall be disregarded.

(c) *Mode of participation*

An Offeror Shareholder shall be deemed to be present at a meeting of Offeror Shareholders if he participates by telephone or other electronic means and all Offeror Shareholders participating in the meeting are able to hear each other.

(d) *Quorum*

- (i) A meeting of Offeror Shareholders is duly constituted if, at the commencement of the meeting, there are present in person or by proxy not less than 50 percent of the votes of the Offeror Shares entitled to vote on Resolutions of Offeror Shareholders to be considered at the meeting. A quorum may comprise a single Offeror Shareholder or proxy and then such person may pass a Resolution of Offeror Shareholders and a certificate signed by such person accompanied where such person be a proxy by a copy of the proxy instrument shall constitute a valid Resolution of Offeror Shareholders.
- (ii) If within two hours from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Offeror Shareholders, shall be dissolved; in any other case it shall stand adjourned to the next business day in the jurisdiction in which the meeting was to have been held at the same time and place or to such other time and place as the Offeror Directors may determine, and if at the adjourned meeting there are present within one hour from the time appointed for the meeting in person or by proxy not less than one third of the votes of the Offeror Shares or each class or series of shares entitled to vote on the matters to be considered by the meeting, those present shall constitute a quorum but otherwise the meeting shall be dissolved.

(e) *Chairman of meetings and voting by poll*

- (i) At every meeting of Offeror Shareholders, the chairman (the “**Chairman**”) of the board of Offeror Directors shall preside as chairman of the meeting. If there is no Chairman or if the Chairman is not present at the meeting, the Offeror Shareholders present shall choose one of their number to be the chairman. If the Offeror Shareholders are unable to choose a chairman for any reason, then the person representing the greatest number of voting Offeror Shares present in person or by proxy at the meeting shall preside as chairman failing which the oldest individual Offeror Shareholder or representative of an Offeror Shareholder present shall take the chair.

- (ii) The chairman may, with the consent of the meeting, adjourn any meeting from time to time, and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (iii) At any meeting of the Offeror Shareholders the chairman is responsible for deciding in such manner as he considers appropriate whether any resolution proposed has been carried or not and the result of his decision shall be announced to the meeting and recorded in the minutes of the meeting. If the chairman has any doubt as to the outcome of the vote on a proposed resolution, he shall cause a poll to be taken of all votes cast upon such resolution. If the chairman fails to take a poll then any Offeror Shareholder present in person or by proxy who disputes the announcement by the chairman of the result of any vote may immediately following such announcement demand that a poll be taken and the chairman shall cause a poll to be taken. If a poll is taken at any meeting, the result shall be announced to the meeting and recorded in the minutes of the meeting.

(f) *Resolutions in writing*

An action that may be taken by the Offeror Shareholders at a meeting may also be taken by a resolution consented to in writing, without the need for any notice, but if any Resolution of Offeror Shareholders is adopted otherwise than by the unanimous written consent of all Offeror Shareholders, a copy of such resolution shall forthwith be sent to all Offeror Shareholders not consenting to such resolution. The consent may be in the form of counterparts, each counterpart being signed by one or more Offeror Shareholders. If the consent is in one or more counterparts, and the counterparts bear different dates, then the resolution shall take effect on the earliest date upon which Offeror Shareholders holding a sufficient number of votes of Offeror Shares to constitute a Resolution of Offeror Shareholders have consented to the resolution by signed counterparts.

(g) *Resolutions of Offeror Shareholders*

“**Resolution of Offeror Shareholders**” in the Memorandum and the Articles means either:

- (i) a resolution approved at a duly convened and constituted meeting of the Offeror Shareholders by the affirmative vote of a majority of in excess of 50 percent of the votes of the Offeror Shares entitled to vote thereon which were present at the meeting and were voted; or
- (ii) a resolution consented to in writing by a majority of in excess of 50 percent of the votes of Offeror Shares entitled to vote thereon.

6. Appointment, resignation and removal of directors

(a) Appointment

The Offeror Directors shall be elected by Resolution of Offeror Shareholders or by Resolution of Offeror Directors.

The Offeror Directors may at any time appoint any person to be an Offeror Director either to fill a vacancy or as an addition to the existing Offeror Directors. Where the Offeror Directors appoint a person as Offeror Director to fill a vacancy, the term shall not exceed the term that remained when the person who has ceased to be an Offeror Director ceased to hold office. A vacancy in relation to Offeror Directors occurs if an Offeror Director dies or otherwise ceases to hold office prior to the expiration of his term of office.

(b) Resignation

An Offeror Director may resign his office by giving written notice of his resignation to the Offeror and the resignation has effect from the date the notice is received by the Offeror or from such later date as may be specified in the notice. An Offeror Director shall resign forthwith as an Offeror Director if he is, or becomes, disqualified from acting as an Offeror Director under the Act.

(c) Removal

An Offeror Director may be removed from office:

- (i) with or without cause, by Resolution of Offeror Shareholders passed at a meeting of Offeror Shareholders called for the purposes of removing the Offeror Director or for purposes including the removal of the Offeror Director or by a written resolution passed by at least 75 percent of the votes of the Offeror Shareholders entitled to vote; or
- (ii) with cause, by Resolution of Offeror Directors passed at a meeting of Offeror Directors called for the purpose of removing the Offeror Director or for purposes including the removal of the Offeror Director.

7. Alternate directors

An Offeror Director, by written instrument deposited at the registered office of the Offeror may from time to time appoint another Offeror Director or another person who is not disqualified for appointment as an Offeror Director under section 111 of the Act to be his alternate to:

- (a) exercise the appointing Offeror Director's powers; and
- (b) carry out the appointing Offeror Director's responsibilities, in relation to the taking of decisions by the Offeror Directors in the absence of the appointing Offeror Director.

No person shall be appointed as an alternate Offeror Director unless he has consented in writing to be an alternate Offeror Director. The appointment of an alternate Offeror Director does not take effect until written notice of the appointment has been deposited at the registered office of the Offeror.

The appointing Offeror Director may, at any time, terminate or vary the alternate's appointment. The termination or variation of the appointment of an alternate Offeror Director does not take effect until written notice of the termination or variation has been deposited at the registered office of the Offeror, save that if an Offeror Director shall die or cease to hold the office of Offeror Director, the appointment of his alternate shall thereupon cease and terminate immediately without the need of notice.

An alternate Offeror Director has no power to appoint an alternate, whether of the appointing Offeror Director or of the alternate Offeror Director.

An alternate Offeror Director has the same rights as the appointing Offeror Director in relation to any Offeror Directors' meeting and any written resolution of Offeror Directors circulated for written consent. Unless stated otherwise in the notice of the appointment of the alternate, or a notice of variation of the appointment, if undue delay or difficulty would be occasioned by giving notice to an Offeror Director of a resolution of which his approval is sought in accordance with the Articles his alternate (if any) shall be entitled to signify approval of the same on behalf of that Offeror Director. Any exercise by the alternate Offeror Director of the appointing Offeror Director's powers in relation to the taking of decisions by the Offeror Directors is as effective as if the powers were exercised by the appointing Offeror Director. An alternate Offeror Director does not act as an agent of or for the appointing Offeror Director and is liable for his own acts and omissions as an alternate Offeror Director.

8. Powers of directors

The business and affairs of the Offeror shall be managed by, or under the direction or supervision of, the Offeror Directors. The Offeror Directors have all the powers necessary for managing, and for directing and supervising, the business and affairs of the Offeror.

Each Offeror Director shall exercise his powers for a proper purpose and shall not act or agree to the Offeror acting in a manner that contravenes the Memorandum, the Articles or the Act. Each Offeror Director, in exercising his powers or performing his duties, shall act honestly and in good faith in what the Offeror Director believes to be the best interests of the Offeror.

9. Proceedings of directors

(a) Convening of meetings

- (i) Any one Offeror Director may call a meeting of the Offeror Directors by sending a written notice to each other Offeror Director.
- (ii) The Offeror Directors or any committee thereof may meet at such times and in such manner and places within or outside the British Virgin Islands as the Offeror Directors may determine to be necessary or desirable.
- (iii) An Offeror Director shall be given not less than 3 days' notice of meetings of Offeror Directors, but a meeting of Offeror Directors held without 3 days' notice having been given to all Offeror Directors shall be valid if all the Offeror Directors entitled to vote at the meeting waive notice of the meeting, and for this purpose the presence of an Offeror Director at a meeting shall constitute waiver by that Offeror Director. The inadvertent failure to give notice of a meeting to an Offeror Director, or the fact that an Offeror Director has not received the notice, does not invalidate the meeting.

(b) Mode of participation

An Offeror Director is deemed to be present at a meeting of Offeror Directors if he participates by telephone or other electronic means and all Offeror Directors participating in the meeting are able to hear each other.

(c) *Quorum*

- (i) A meeting of Offeror Directors is duly constituted for all purposes if at the commencement of the meeting there are present in person or by alternate not less than one-half of the total number of Offeror Directors, unless there are only 2 Offeror Directors in which case the quorum is 2.
- (ii) If the Offeror has only one Offeror Director the provisions contained in the Articles for meetings of Offeror Directors do not apply and such sole Offeror Director has full power to represent and act for the Offeror in all matters as are not by the Act, the Memorandum or the Articles required to be exercised by the Offeror Shareholders. In lieu of minutes of a meeting the sole Offeror Director shall record in writing and sign a note or memorandum of all matters requiring a Resolution of Offeror Directors. Such a note or memorandum constitutes sufficient evidence of such resolution for all purposes.

(d) *Chairman of meetings*

At meetings of Offeror Directors at which the Chairman is present, he shall preside as chairman of the meeting. If there is no Chairman or if the Chairman is not present, the Offeror Directors present shall choose one of their number to be chairman of the meeting.

(e) *Resolutions in writing*

An action that may be taken by the Offeror Directors or a committee of Offeror Directors at a meeting may also be taken by a Resolution of Offeror Directors or a resolution of a committee of Offeror Directors consented to in writing or by telex, telegram, cable or other written electronic communication by a majority of the Offeror Directors or by a majority of the members of the committee, as the case may be, without the need for any notice. A written resolution consented to in such manner may consist of several documents, including written electronic communication, in like form each signed or assented to by one or more Offeror Directors. If the consent is in one or more counterparts, and the counterparts bear different dates, then the resolution shall take effect on the date upon which the last Offeror Director has consented to the resolution by signed counterparts.

(f) *Resolutions of Offeror Directors*

“**Resolution of Offeror Directors**” in the Memorandum and the Articles means either:

- (i) a resolution approved at a duly convened and constituted meeting of Offeror Directors by the affirmative vote of a majority of the Offeror Directors present at the meeting who voted except that where an Offeror Director is given more than one vote, he shall be counted by the number of votes he casts for the purpose of establishing a majority; or
- (ii) a resolution consented to in writing or by telex, telegram, cable or other written electronic communication by a majority of the Offeror Directors. A written resolution consented to in such manner may consist of several documents including written electronic communication, in like form each signed or assented to by one or more Offeror Directors.

10. Conflict of interests of directors

An Offeror Director shall, forthwith after becoming aware of the fact that he is interested in a transaction entered into or to be entered into by the Offeror, disclose the interest to all other Offeror Directors.

For the purposes of the preceding sub-paragraph, a disclosure to all other Offeror Directors to the effect that an Offeror Director is a member, director or officer of another named entity or has a fiduciary relationship with respect to the entity or a named individual and is to be regarded as interested in any transaction which may, after the date of the entry into the transaction or disclosure of the interest, be entered into with that entity or individual, is a sufficient disclosure of interest in relation to that transaction.

An Offeror Director who is interested in a transaction entered into or to be entered into by the Offeror may:

- (a) vote on a matter relating to the transaction;
- (b) attend a meeting of Offeror Directors at which a matter relating to the transaction arises and be included among the Offeror Directors present at the meeting for the purposes of a quorum; and
- (c) sign a document on behalf of the Offeror, or do any other thing in his capacity as an Offeror Director, that relates to the transaction, and, subject to compliance with the Act shall not, by reason of his office be accountable to the Offeror for any benefit which he derives from such transaction and no such transaction shall be liable to be avoided on the grounds of any such interest or benefit.

11. Distributions

The Offeror Directors may, by Resolution of Offeror Directors, authorise a distribution by the Offeror at a time and of an amount they think fit if they are satisfied, on reasonable grounds, that, immediately after such distribution, the value of the Offeror's assets will exceed its liabilities and the Offeror will be able to pay its debts as they fall due.

Distributions by the Offeror may be paid in money, shares, or other property.

Notice of any distribution by the Offeror that may have been declared shall be given to each Offeror Shareholder as specified in the Articles and all distributions unclaimed for 3 years after having been declared may be forfeited by Resolution of Offeror Directors for the benefit of the Offeror.

No distributions by the Offeror shall bear interest as against the Offeror.

12. Auditors' report and accounts

The report of the auditors of the Offeror shall be annexed to the accounts and shall be read at the meeting of Offeror Shareholders at which the accounts are laid before the Offeror or shall be otherwise given to the Offeror Shareholders.