

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this joint announcement, make no representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this joint announcement.*

*This joint announcement appears for information purposes only and is not intended to and does not constitute, or form part of, any offer to purchase or subscribe for or an invitation to purchase or subscribe for any securities of the Offeror or the Company or the solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of securities of the Offeror or the Company in any jurisdiction in contravention of applicable law.*

*This joint announcement is not for release, publication or distribution in or into any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction.*

**YORKEY**

**ASIA OPTICAL  
INTERNATIONAL LTD.**

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

**YORKEY OPTICAL  
INTERNATIONAL (CAYMAN) LTD.**

**精熙國際(開曼)有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2788)**

**JOINT ANNOUNCEMENT  
(1) PROPOSED PRIVATISATION OF YORKEY OPTICAL  
INTERNATIONAL (CAYMAN) LTD. BY THE OFFEROR  
BY WAY OF A SCHEME OF  
ARRANGEMENT UNDER SECTION 86 OF THE COMPANIES ACT  
OF THE CAYMAN ISLANDS  
(2) PROPOSED WITHDRAWAL OF LISTING  
(3) ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE  
AND APPOINTMENT OF THE INDEPENDENT FINANCIAL ADVISER  
AND  
(4) RESUMPTION OF TRADING IN SHARES**

**Joint Financial Advisers to the Offeror**



**Independent Financial Adviser to the Independent Board Committee**



## **THE PROPOSAL**

The respective board of directors of the Offeror and the Company jointly announce that on 15 October 2021, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the proposed privatisation of the Company by way of the Scheme, which, if approved and implemented, will involve (i) the cancellation and extinguishment of the Scheme Shares and in consideration thereof, the payment of the Cancellation Price to the Scheme Shareholders whose names appear on the Register on the Scheme Record Date, (ii) upon such cancellation and extinguishment, the issued share capital of the Company will be simultaneously increased to its former amount by the issuance at par to the Offeror, credited as fully paid, of the aggregate number of Shares as is equal to the number of Scheme Shares cancelled and extinguished, while the reserve created in the Company's books of account as a result of the cancellation and extinguishment of the Scheme Shares will be applied in paying up in full at par the new Shares so issued, credited as fully paid, to the Offeror, and (iii) the withdrawal of the listing of the Shares on the Stock Exchange and the delisting of the TDRs on the Taiwan Stock Exchange. The Scheme will be carried out by way of a scheme of arrangement under Section 86 of the Companies Act.

## **TERMS OF THE PROPOSAL**

Under the Scheme, the Scheme Shares will be cancelled and extinguished and, in consideration thereof, each Scheme Shareholder whose names appear on the Register on the Scheme Record Date will be entitled to receive the Cancellation Price, being HK\$0.88, in cash for each Scheme Share cancelled and extinguished.

The aggregate Cancellation Price payable to the Scheme Shareholders for the Scheme Shares cancelled and extinguished will be paid by the Offeror.

The Cancellation Price has been determined on a commercial basis after taking into account, among others, the Offeror's view of the Group's business and future prospects, the recent and historical traded prices of the Shares and the TDRs traded on the Stock Exchange and the Taiwan Stock Exchange, respectively, and the financial position of the Group as at 31 December 2020 and 30 June 2021, with reference to other privatisation transactions in Hong Kong in recent years.

## **TOTAL CONSIDERATION AND FINANCIAL RESOURCES**

As at the Announcement Date, there are 816,346,000 Shares in issue (including 80,000,000 Shares represented by the TDRs), and there are 589,513,000 Scheme Shares (representing approximately 72.21% of the issued share capital of the Company) in issue. There are no other outstanding options, warrants, derivatives, convertible securities or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company that carry a right to subscribe for or which are convertible into Shares.

On the basis of the Cancellation Price of HK\$0.88 per Scheme Share and 589,513,000 Scheme Shares being in issue as at the Announcement Date and assuming that there is no other change in the shareholding of the Company before the Scheme Record Date, the Scheme Shares are in aggregate valued at HK\$518,771,440, which represents the amount of cash required for the Scheme.

The Offeror's payment obligations to the Scheme Shareholders in respect of the Cancellation Price in cash pursuant to and in accordance with the Scheme shall be fulfilled by the Offeror. The Offeror intends to finance the cash required for the cancellation and extinguishment of the Scheme Shares through the financing facility made available to the Offeror by a licensed bank in Hong Kong.

DL Securities and VBG Capital, the Joint Financial Advisers, are satisfied that sufficient financial resources are available to the Offeror for discharging its obligations in respect of the full implementation of the Proposal in accordance with its terms.

## **CONDITIONS OF THE PROPOSAL AND THE SCHEME**

The implementation of the Proposal is, and the Scheme will become effective and binding on the Company and all Scheme Shareholders, subject to the fulfilment or waiver (as applicable) of all the Conditions as described in the section headed "4. Conditions of the Proposal and the Scheme" below. All Conditions will have to be fulfilled or waived (as applicable) on or before the Long Stop Date, failing which the Proposal and the Scheme will lapse.

## **IRREVOCABLE UNDERTAKING**

As at the Announcement Date, the Offeror has received the Irrevocable Undertaking from the Undertaking Shareholder, pursuant to which the Undertaking Shareholder has unconditionally and irrevocably undertaken to, among other things, exercise, or procure the exercise, of all voting rights attached to the Undertaking Scheme Shares owned by the Undertaking Shareholder to vote in favour of all the resolutions to approve and give effect to the Proposal, the Scheme and any matters that may impact on the fulfilment of any condition of the Proposal at the Court Meeting and the EGM. The 143,817,000 Undertaking Scheme Shares held by the Undertaking Shareholder represent approximately 17.62% of the issued share capital of the Company as at the Announcement Date.

## **INDEPENDENT BOARD COMMITTEE**

An Independent Board Committee, which comprises the independent non-executive Directors, namely Mr. Lin Meng-Tsung, Mr. Lin Yi-Min and Mr. Liu Wei-Li, has been established by the Board to make a recommendation to the Independent Shareholders as to whether the terms of the Proposal and the Scheme are, or are not, fair and reasonable and as to voting at the Court Meeting and the EGM.

Pursuant to Rule 2.8 of the Takeovers Code, the Independent Board Committee comprises all non-executive Directors who have no direct or indirect interest in the Proposal. The non-executive Director of the Company, namely Ms. Wu Shu-Ping, is a director of AOCI, of which the Offeror is a direct wholly-owned subsidiary, and therefore is not a member of the Independent Board Committee.

Mr. Lai I-Jen and Mr. Kurihara Toshihiko, being the executive Directors of the Company, and Ms. Wu Shu-Ping, being the non-executive Director of the Company, are regarded as acting in concert with the Offeror. Each of Mr. Lai I-Jen, Mr. Kurihara Toshihiko and Ms. Wu Shu-Ping has abstained and will continue to abstain from voting at meetings of the Board in relation to the Proposal and the Scheme given his/her material interest in the Proposal. The Independent Board Committee has reserved its opinion pending the advice of the Independent Financial Adviser.

## **JOINT FINANCIAL ADVISERS TO THE OFFEROR**

The Offeror has appointed DL Securities and VBG Capital as its Joint Financial Advisers in connection with the Proposal.

## **INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT BOARD COMMITTEE**

Halcyon Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee in connection with the terms of the Proposal and the Scheme. The appointment of Halcyon Capital Limited has been approved by the Independent Board Committee. The advice of the Independent Financial Adviser and recommendation of the Independent Board Committee will be included in the Scheme Document and despatched to the Shareholders in due course.

## **WITHDRAWAL OF LISTING OF SHARES AND DELISTING OF TDRs**

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and extinguished and the share certificates in respect of the Scheme Shares will thereafter cease to have effect as document or evidence of title. The Company will apply to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules immediately following the Scheme becoming effective. The TDRs will also be delisted from the Taiwan Stock Exchange upon or after the delisting of all the Shares from the Stock Exchange.

## **IF THE SCHEME IS NOT APPROVED OR OTHERWISE LAPSES**

The listing of the Shares on the Stock Exchange will not be withdrawn and the TDRs will not be delisted from the Taiwan Stock Exchange if the Scheme does not become effective or otherwise lapses.

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

## **DESPATCH OF SCHEME DOCUMENT**

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

Under Rule 8.2 of the Takeovers Code, the Scheme Document should be despatched to the Shareholders within 21 days of the Announcement Date, that is, on or before 5 November 2021. The Scheme Document may only be despatched to the Shareholders after the Grand Court has, at a Directions Hearing to be held on a date to be fixed by the Grand Court, directed the holding of the Court Meeting.

As additional time is required to procure the holding of the Directions Hearing and to finalise the financial information to be included in the Scheme Document, an application will be made with the Executive for its consent to extend the latest time for the despatch of the Scheme Document. Further announcement(s) will be made by the Company and the Offeror in respect of the application for the consent and the expected date of despatch of the Scheme Document.

## **RESUMPTION OF TRADING IN SHARES**

At the request of the Company, trading in the Shares on the Stock Exchange has been halted from 1:00 p.m. on 6 October 2021 pending the release of this joint announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on Monday, 18 October 2021.

## **WARNINGS**

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

**This joint announcement is not intended to and does not constitute, or form part of, any offer to sell or subscribe for or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Proposal or otherwise, nor shall there be any sale, issuance or transfer of securities of the Offeror or the Company in any jurisdiction in contravention of applicable law. The Proposal will be made solely through the Scheme Document, which will contain the full terms and conditions of the Proposal, including details of how to vote in favour or against of the Proposal. This joint announcement is not for release, publication or distribution in or into any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction. Any vote, acceptance or other response to the Proposal should be made only on the basis of information in the Scheme Document or any other document by which the Proposal is made.**

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

## 1. INTRODUCTION

On 15 October 2021, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the proposed privatisation of the Company by way of the Scheme, which, if approved and implemented, will involve (i) the cancellation and extinguishment of the Scheme Shares and in consideration thereof, the payment of the Cancellation Price to the Scheme Shareholders whose names appear on the Register on the Scheme Record Date, (ii) upon such cancellation and extinguishment, the issued share capital of the Company will be simultaneously increased to its former amount by the issuance at par to the Offeror, credited as fully paid, of the aggregate number of Shares as is equal to the number of Scheme Shares cancelled and extinguished, while the reserve created in the Company's books of account as a result of the cancellation and extinguishment of the Scheme Shares will be applied in paying up in full at par the new Shares so issued, credited as fully paid, to the Offeror, and (iii) the withdrawal of the listing of the Shares on the Stock Exchange and the delisting of the TDRs on the Taiwan Stock Exchange. The Scheme will be carried out by way of a scheme of arrangement under Section 86 of the Companies Act.

If the Proposal is approved and implemented, under the Scheme:

- (i) all the Scheme Shares held by the Scheme Shareholders on the Effective Date will be cancelled and extinguished in exchange for the payment by the Offeror to each Scheme Shareholder whose name appears on the Register on the Scheme Record Date the Cancellation Price in cash;
- (ii) upon such cancellation and extinguishment of the Scheme Shares, the issued share capital of the Company will be increased to the amount prior to the cancellation and extinguishment of the Scheme Shares by the allotment and issuance at par to the Offeror, credited as fully paid, of the aggregate number of Shares as is equal to the number of Scheme Shares cancelled and extinguished. The reserve created in the Company's books of account as a result of the cancellation and extinguishment of the Scheme Shares will be applied in paying up in full at par the new Shares so allotted and issued to the Offeror;
- (iii) an application will be made to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange immediately following the Effective Date pursuant to Rule 6.15(2) of the Listing Rules;
- (iv) a notice will be given to the Taiwan Stock Exchange for the delisting of the TDRs on the Taiwan Stock Exchange in accordance with the Operating Rules accordingly; and
- (v) the withdrawal of the listing of the Shares on the Stock Exchange and the delisting of the TDRs on the Taiwan Stock Exchange are expected to take place on the same day and forthwith following the Effective Date.

## 2. TERMS OF THE PROPOSAL

### The Scheme

Under the Scheme, the Scheme Shares will be cancelled and extinguished and, in consideration thereof, each Scheme Shareholder whose name appears on the Register on the Scheme Record Date will be entitled to receive the Cancellation Price, being HK\$0.88, in cash for each Scheme Share cancelled and extinguished.

The aggregate Cancellation Price payable to the Scheme Shareholders for the Scheme Shares cancelled and extinguished will be paid by the Offeror.

The Cancellation Price of HK\$0.88 per Scheme Share represents:

- a premium of approximately 54.4% over the closing price of HK\$0.57 per Share as quoted on the Stock Exchange on the Last Trading Day;
- a premium of approximately 77.1% over the average closing price of approximately HK\$0.497 per Share based on the daily closing prices as quoted on the Stock Exchange for the 10 trading days up to and including the Last Trading Day;
- a premium of approximately 78.5% over the average closing price of approximately HK\$0.493 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day;
- a premium of approximately 77.1% over the average closing price of approximately HK\$0.497 per Share based on the daily closing prices as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Day;
- a premium of approximately 77.1% over the average closing price of approximately HK\$0.497 per Share based on the daily closing prices as quoted on the Stock Exchange for the 90 trading days up to and including the Last Trading Day;
- a premium of approximately 77.4% over the average closing price of approximately HK\$0.496 per Share based on the daily closing prices as quoted on the Stock Exchange for the 120 trading days up to and including the Last Trading Day;
- a premium of approximately 78.5% over the average closing price of approximately HK\$0.493 per Share based on the daily closing prices as quoted on the Stock Exchange for the 180 trading days up to and including the Last Trading Day;
- a premium of approximately 6.28% over the audited consolidated net asset value (the “NAV”) per Share of approximately US\$0.107 (or approximately HK\$0.828 equivalent) as at 31 December 2020, based on the NAV of the Group as at 31 December 2020 and 816,346,000 Shares in issue as at the Announcement Date; and
- a premium of approximately 9.45% over the unaudited consolidated NAV per Share of approximately US\$0.104 (or approximately HK\$0.804 equivalent) as at 30 June 2021, based on the unaudited consolidated NAV of the Group as at 30 June 2021 (adjusted by the amount of cash utilised in the repurchase of 1,554,000 Shares from 11 August 2021 to 24 August 2021) and 816,346,000 Shares in issue as at the Announcement Date.

During the six-month period ended on and including the Last Trading Day, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.57 per Share on 6 October 2021 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.47 per Share on 27 September 2021.

The Cancellation Price has been determined on a commercial basis after taking into account, among others, the Offeror's view of the Group's business and future prospects, the recent and historical traded prices of the Shares and TDRs traded on the Stock Exchange and the Taiwan Stock Exchange, respectively, and the financial position of the Group as at 31 December 2020 and 30 June 2021, with reference to other privatisation transactions in Hong Kong in recent years.

The Company confirms that as at the Announcement Date, no dividends or distribution declared by the Company were outstanding. If, after the Announcement Date, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Shares, the Offeror reserves the right to reduce the Cancellation Price by all or any part of the amount or value of such dividend, distribution and/or, as the case may be, return of capital after consultation with the Executive, in which case any reference in this joint announcement, the Scheme Document or any other announcement or document to the Cancellation Price will be deemed to be a reference to the Cancellation Price as so reduced. The Company confirms that as at the Announcement Date, it does not intend to announce, declare or pay any dividend, distribution or other return of capital during the Offer Period.

### **3. TOTAL CONSIDERATION AND FINANCIAL RESOURCES**

As at the Announcement Date, there are 816,346,000 Shares in issue (including 80,000,000 Shares represented by the TDRs), and there are 589,513,000 Scheme Shares (representing approximately 72.21% of the issued share capital of the Company) in issue. There are no other outstanding options, warrants, derivatives, convertible securities or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company that carry a right to subscribe for or which are convertible into Shares.

On the basis of the Cancellation Price of HK\$0.88 per Scheme Share and 589,513,000 Scheme Shares being in issue as at the Announcement Date and assuming that there is no other change in the shareholding of the Company before the Scheme Record Date, the Scheme Shares are in aggregate valued at HK\$518,771,440, which represents the amount of cash required for the Scheme.

The Offeror's payment obligations to the Scheme Shareholders in respect of the Cancellation Price in cash pursuant to and in accordance with the Scheme shall be fulfilled by the Offeror. The Offeror intends to finance the cash required for the cancellation and extinguishment of the Scheme Shares through the financing facility made available to the Offeror by a licensed bank in Hong Kong.

DL Securities and VBG Capital, the Joint Financial Advisers, are satisfied that sufficient financial resources are available to the Offeror for discharging its obligations in respect of the full implementation of the Proposal in accordance with its terms.



#### 4. CONDITIONS OF THE PROPOSAL AND THE SCHEME

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

- (1) the approval of the Scheme (by way of poll) by a majority in number of the Scheme Shareholders representing not less than 75% in value of the Scheme Shares held by the Scheme Shareholders present and voting either in person or by proxy at the Court Meeting with any Scheme Shareholder being parties acting in concert with the Offeror (including FLI) abstained from voting;
- (2)
  - (a) the approval (by way of poll) of the Scheme by the Independent Shareholders holding at least 75% of the votes attaching to the Scheme Shares held by the Independent Shareholders that are voted either in person or by proxy at the Court Meeting; and
  - (b) the number of votes cast (by way of poll) by the Independent Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all Scheme Shares held by all Independent Shareholders;
- (3)
  - (a) the passing of a special resolution by a majority of not less than three-fourths of the votes cast by the Shareholders present and voting in person or by proxy at the EGM to approve and give effect to the reduction of the number of issued Shares in the share capital of the Company by cancelling and extinguishing the Scheme Shares;
  - (b) the passing of an ordinary resolution by a simple majority of the votes cast by the Shareholders present and voting in person or by proxy at the EGM to approve and give effect to, simultaneously upon the reduction of issued share capital, the increase of issued Shares in the share capital of the Company to the amount prior to the cancellation and extinguishment of the Scheme Shares by the allotment and issuance at par to the Offeror of the aggregate number of new Shares, credited as fully paid, as is equal to the number of Scheme Shares cancelled and extinguished and the application of the reserve created in the Company's books of account as a result of the capital reduction to pay up in full at par such number of the new Shares so allotted and issued to the Offeror;
- (4) the sanction of the Scheme (with or without modifications) by the Grand Court and, to the extent necessary, its confirmation of the reduction of the issued share capital of the Company involved in the Scheme, and the delivery to the Registrar of Companies in the Cayman Islands of a copy of the order of the Grand Court for registration;
- (5) compliance, to the extent necessary, with the procedural requirements and conditions, if any, under Sections 15 and 16 of the Companies Act in relation to the reduction of the issued share capital of the Company involved in the Scheme;

- (6) all necessary Authorisations in connection with the Proposal and the Scheme having been obtained from, given by or made with or by (as the case may be) the Relevant Authorities in the Cayman Islands, Hong Kong, Taiwan and any other relevant jurisdictions and remaining in full force and effect without variation, up to and at the time when the Scheme becomes effective;
- (7) all necessary statutory or regulatory obligations in all relevant jurisdictions having been complied with and no requirement having been imposed by any Relevant Authorities which is not expressly provided for, or is in addition to requirements expressly provided for, in any relevant laws, rules, regulations or codes in connection with the Proposal or any matters, documents (including circulars) or things relating thereto, in each aforesaid case up to and at the time when the Scheme becomes effective;
- (8) all necessary consents in connection with the Proposal and the Scheme which may be required under any existing contractual obligations of the Group being obtained and remained in effect or waived by the relevant party(ies), where any failure to obtain such consent or waiver would have a material adverse effect on the business, assets or liabilities of the Group;
- (9) no government, governmental, quasi-governmental, statutory or regulatory body, court or agency in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry, or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order that would make the Proposal or its implementation in accordance with its term void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to the Proposal or its implementation in accordance with its terms), from the Announcement Date up to the date when all Conditions are satisfied or waived (as applicable), other than such actions, proceedings, suits, investigations or enquiries as would not have a material adverse effect on the Offeror to proceed with the Proposal; and
- (10) from the Announcement Date up to the date when all Conditions are satisfied or waived (as applicable), there having been no adverse change in the business, assets, financial or trading positions, profits or prospects of any member of the Group (to an extent which is material in the context of the Group taken as a whole or in the context of the Proposal or the Scheme).

While the Company is incorporated in the Cayman Islands, the main operations of the Group are in the PRC. The Offeror is a wholly owned subsidiary of AOCI, which is a company incorporated in Taiwan with limited liability, and the increase of the interests by AOCI through the Offeror in the Company as a result of the Scheme may be considered as PRC investments by AOCI pursuant to the Regulations Governing the Approval of Investment in or Technical Collaborations in the PRC (在大陸地區從事投資或技術合作許可辦法). AOCI has confirmed that it is required to obtain the approval from the Investment Commission of the Ministry of Economic Affairs of Taiwan (台灣經濟部投資審議委員會) for such increase in interests in the Company. Having obtained such approval will form part of Condition (6) above. It may take 2 to 3 months to obtain such approval. As at the Announcement Date, apart from the aforementioned, (i) in relation to Conditions (6) to (8), save for the Stock Exchange and the Executive's clearance on the Proposal in compliance with the Listing Rules and the Takeovers Code, including but not limited to the Executive's waiver under Note 3 to Rule 8 of the Takeovers Code in relation to the waiver of not despatching the Scheme Documents to overseas Shareholders (if applicable), neither the Offeror nor the Company is aware of any other Authorisations, obligations and consents which is necessary for the Proposal and the Scheme, and (ii) neither the Offeror nor the Company is aware of any other matter that would constitute a breach of Conditions (9) and (10) in connection with the Proposal and the Scheme.

The Offeror reserves the right to waive Conditions (7) to (10) either in whole or in part, either generally or in respect of any particular matter. Conditions (1) to (6) cannot be waived in any event. Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Scheme if the circumstances which give rise to a right to invoke any such Condition are of a material significance to the Offeror in the context of the Proposal or the Scheme. The Company has no right to waive any of the Conditions. All of the Conditions will have to be fulfilled or waived (as applicable) on or before the Long Stop Date, failing which the Proposal and the Scheme will lapse.

When all the Conditions are satisfied or waived (as applicable), the Scheme will become effective and binding on the Offeror, the Company and all Scheme Shareholders.

A detailed expected timetable will be included in the Scheme Document.

## **WARNINGS**

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

## **5. SHAREHOLDING STRUCTURE OF THE COMPANY**

As at the Announcement Date, the authorised share capital of the Company is HK\$10,000,000.00 divided into 1,000,000,000 Shares, and the Company has 816,346,000 Shares in issue, including 80,000,000 Shares represented by the TDRs.

As at the Announcement Date, the Offeror holds 186,833,000 Shares, representing approximately 22.89% of the issued share capital of the Company. Save for the 186,833,000 Shares held by the Offeror, as at the Announcement Date, the Offeror Concert Parties are interested in an aggregate of 152,990,000 Shares, representing an aggregate of approximately 18.74% of the issued share capital of the Company, of which (i) 40,000,000 Shares held by RIG (representing approximately 4.90% of the issued share capital of the Company) will not form part of the Scheme Shares, and (ii) 112,990,000 Shares held by FLI (representing approximately 13.84% of the issued share capital of the Company) will form part of the Scheme Shares but FLI will abstain from voting at the Court Meeting. The Offeror and the Offeror Concert Parties are interested in an aggregate of 339,823,000 Shares, representing an aggregate of approximately 41.63% of the issued share capital of the Company.

On the assumption that there is no other change in shareholding of the Company from the Announcement Date to immediately upon completion of the Proposal, the table below sets out the shareholding structure of the Company (i) as at the Announcement Date; and (ii) on the basis of the Scheme becomes effective, immediately upon completion of the Proposal:

Shareholders	As at the Announcement Date		Immediately upon completion of the Proposal	
	Number of Shares	Approximate %	Number of Shares	Approximate %
<b>The Offeror (Note 1)</b>	186,833,000	22.89	776,346,000 (Note 6)	95.10
<b>The Offeror Concert Parties</b>				
RIG (Note 2)	40,000,000	4.90	40,000,000	4.90
FLI (Note 3)	112,990,000	13.84	–	–
<b>Sub-total:</b>	<u>152,990,000</u>	<u>18.74</u>	<u>40,000,000</u>	<u>4.90</u>
<b>Aggregate number of Shares held by the Offeror and the Offeror Concert Parties</b>	<u><b>339,823,000</b></u>	<u><b>41.63</b></u>	<u><b>816,346,000</b></u>	<u><b>100.00</b></u>
<b>The Undertaking Shareholder</b> Ability Enterprise (BVI) Co., Ltd. (Note 4)	143,817,000	17.62	–	–
Independent Shareholders other than the Undertaking Shareholder	332,706,000	40.76		
<b>Aggregate number of Shares held by the Independent Shareholders (including the Undertaking Shareholder)</b>	<u>476,523,000</u> (Note 5)	<u>58.37</u>	<u>–</u>	<u>–</u>
<b>Total number of Shares</b>	<u><b>816,346,000</b></u>	<u><b>100.00</b></u>	<u><b>816,346,000</b></u>	<u><b>100.00</b></u>

*Notes:*

1. The 186,833,000 Shares held by the Offeror as at the Announcement Date will not form part of the Scheme Shares and will not be cancelled and extinguished upon completion of the Proposal.
2. The 40,000,000 Shares held by RIG as at the Announcement Date will not form part of the Scheme Shares and will not be cancelled and extinguished upon completion of the Proposal.
3. The 112,990,000 Shares held by FLI as at the Announcement Date will form part of the Scheme Shares, but FLI will abstain from voting at the Court Meeting and FLI will not be regarded as an Independent Shareholder.
4. Ability Enterprise (BVI) Co., Ltd. is not a party acting in concert with the Offeror and its concert parties. Save for their common shareholdings in the Company, there are no relationship (business, financial or otherwise) between Ability Enterprise (BVI) Co., Ltd. and parties acting in concert with it on the one hand and the Offeror and parties acting in concert with it on the other hand. None of the presumptions of acting in concert under the definition of the Takeovers Code apply to Ability Enterprise (BVI) Co., Ltd. and parties acting in concert with it on the one hand and the Offeror and parties acting in concert with it on the other hand.
5. The 476,523,000 Shares held by the Independent Shareholders include the 80,000,000 Shares represented by the TDRs. Each TDR represents one Share in issue. TDR Holders may exercise their conversion right to convert their TDRs into Shares through the Depository Agent in accordance with the timetable to be included in the Scheme Document. None of the Offeror and the Offeror Concert Parties hold any TDRs as at the Announcement Date.
6. Under the Scheme, the issued share capital of the Company will, on the Effective Date, be reduced by cancelling and extinguishing the Scheme Shares. On the assumption that there is no other change in shareholding of the Company from the Announcement Date to immediately before completion of the Proposal, forthwith upon such reduction, the issued share capital of the Company will be increased to the amount prior to the cancellation and extinguishment of the Scheme Shares by the allotment and issue at par to the Offeror of such number of new Shares, credited as fully paid, as is equal to the number of Scheme Shares cancelled and extinguished. The reserve created in the Company's books of account as a result of the capital reduction will be applied in paying up in full at par the new Shares so allotted and issued to the Offeror.
7. None of the Directors hold any Shares or TDRs as at the Announcement Date.

As at the Announcement Date, there are no options, warrants or convertible securities in respect of the Shares held, controlled or directed by the Offeror and the Offeror Concert Parties, or outstanding derivatives in respect of the Shares entered into by the Offeror and the Offeror Concert Parties. Save for the 80,000,000 Shares represented by the TDRs, the Company does not have in issue any warrants, options, derivatives, convertible securities or other securities convertible into Shares as at the Announcement Date.

## **6. IRREVOCABLE UNDERTAKING**

As at the Announcement Date, the Offeror has received the Irrevocable Undertaking from the Undertaking Shareholder, pursuant to which the Undertaking Shareholder has unconditionally and irrevocably undertaken to, among other things, exercise, or procure the exercise, of all voting rights attached to the Undertaking Scheme Shares owned by the Undertaking Shareholder to vote in favour of all the resolutions to approve and give effect to the Proposal, the Scheme and any matters that may impact on the fulfilment of any condition of the Proposal at the Court Meeting and the EGM. The 143,817,000 Undertaking Scheme Shares held by the Undertaking Shareholder represent approximately 17.62% of the issued share capital of the Company as at the Announcement Date.

Further, the Undertaking Shareholder has undertaken, including without limitation, not to (i) sell, transfer or otherwise dispose of the Undertaking Scheme Shares; and (ii) enter into any arrangement which would or might impede giving effect to the Proposal or the undertaking given by it under the Irrevocable Undertaking.

The Irrevocable Undertaking will be terminated if the Proposal lapses.

## **7. REASONS FOR, AND BENEFITS OF, THE PROPOSAL**

### **(i) A good opportunity for the Scheme Shareholders to realise their investment at a premium**

The Offeror considers that the Proposal will provide the Scheme Shareholders with a good opportunity to realise their investment in return for cash at a premium to the recent trading price levels, and redeploy into other investment opportunities that they may be considered more attractive.

During the six-month period ended on and including the Last Trading Day, the lowest and highest closing prices per Share on the Stock Exchange were HK\$0.47 and HK\$0.57, respectively. The Cancellation Price of HK\$0.88 per Share represents a premium of approximately 87.2% to the lowest closing price and a premium of approximately 54.4% to the highest closing price in this period.

The Cancellation Price represents a premium of approximately (i) 54.4% over the closing price of the Shares on the Last Trading Day; (ii) 77.1% over the average closing price of the Shares for the 10 trading days up to and including the Last Trading Day; (iii) 78.5% over the average closing price of the Shares for the 30 trading days up to and including the Last Trading Day; (iv) 77.1% over the average closing price of the Shares for the 60 trading days up to and including the Last Trading Day; (v) 77.1% over the average closing price of the Shares for the 90 trading days up to and including the Last Trading Day; (vi) 6.28% over the NAV per Share as at 31 December 2020; and (vii) 9.45% over the unaudited consolidated NAV per Share as at 30 June 2021 (based on the unaudited consolidated NAV of the Group as at 30 June 2021, adjusted by the amount of cash utilised in the repurchase of 1,554,000 Shares from 11 August 2021 to 24 August 2021 and 816,346,000 Shares in issue as at the Announcement Date).

### **(ii) Low trading liquidity of the Shares**

The trading liquidity of the Shares has been at a relatively low level over a prolonged period in recent years. The average daily trading volume of the Shares for the 12 months up to and including the Last Trading Day was approximately 298,425 Shares, representing less than approximately 0.04% of the total issued Shares as at the Last Trading Day. The average daily turnover for the same period was approximately HK\$157,605. The low trading liquidity of the Shares has rendered it difficult for Shareholders to execute substantial on-market disposals timely without adversely affecting the price of the Shares. Additionally, the low trading liquidity of Shares hinders the Company's ability to raise further funds through equity financing for the Group's business developments.

**(iii) The cost and expenses outweighing the benefit from maintaining the listing status of the Company**

The Company has not been successful in utilising its listing status in Hong Kong for any material external equity fund raising activities in recent years. The listing status is not expected to provide any benefit to the Company in the near term. The Offeror is of the view that the maintenance of the listing status, however, would involve administrative, compliance and other listing-related costs and expenses, which could no longer be justified.

Following the implementation of the Proposal, the Company is expected to substantially reduce the administrative costs and management resources to be committed in maintaining its listing status in Hong Kong and Taiwan, respectively, and compliance with regulatory requirements.

**8. INTENTION OF THE OFFEROR WITH REGARD TO THE GROUP**

Following the implementation of the Proposal, the Offeror intends that the Group will continue to carry on its current business. The Offeror has no intention to make any major changes to the business of the Group, including any major redeployment of fixed assets or making any material change to the continued employment of employees of the Group, other than those in the ordinary course of business of the Group. The Offeror will continue to monitor the Group's performance and implement appropriate strategies for the Group and its business.

**9. INFORMATION ON THE GROUP**

The Company is a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange with the stock code 2788. The Group is principally engaged in the manufacturing and sales of plastic and metallic parts and components of optical and opto-electronic products and manufacturing and sales of molds and cases, including plastic and metallic parts and components of digital still cameras, action cameras, copier-based multifunction peripherals, surveillance cameras, and projectors, etc.

**10. INFORMATION ON THE OFFEROR AND THE OFFEROR CONCERT PARTIES**

**The Offeror**

The Offeror is a company incorporated in the British Virgin Islands with limited liability and its principal activity is (i) investment holding; and (ii) the import, export and trading of optical and optoelectronic products. As at the Announcement Date, the Offeror is wholly owned by AOCI, a company incorporated in Taiwan with limited liability and whose shares are listed on the Taiwan Stock Exchange with the stock code 3019. AOCI, together with its subsidiaries, is principally engaged in the manufacturing, design and sales of (i) optical components, (ii) contact image sensor modules, (iii) optronics products, and (iv) optronics components. As at the Announcement Date, there is no controlling shareholder of AOCI. As at the Announcement Date, Mr. Lai I-Jen, being the executive Director of the Company, and Ms. Wu Shu-Ping, being the non-executive Director of the Company, are interested in approximately 12.07% and 0.13% of the issued share capital of AOCI, respectively.

As at the Announcement Date, the directors of the Offeror are Mr. Lai I-Jen, the executive Director of the Company, and Mr. Asano Yuzo, and they are presumed to be acting in concert with the Offeror under class (2) of the definition of “acting in concert” under the Takeovers Code.

### **The Offeror Concert Parties**

RIG is a company incorporated under the laws of the British Virgin Islands with limited liability. Each of the Offeror and RIG is a direct wholly-owned subsidiary of AOCI. Thus, each of AOCI and RIG is presumed as a party acting in concert with the Offeror under class (1) of the definition of “acting in concert” under the Takeovers Code.

FLI, a company incorporated under the laws of the British Virgin Islands with limited liability, is the founder of The Yorkey Employees’ Trust and is the registered owner of 112,990,000 Shares which it held as trustee of The Yorkey Employees’ Trust. FLI is wholly owned by Mr. CHAN Sun-Ko, an employee of the Group.

## **11. INDEPENDENT BOARD COMMITTEE**

An Independent Board Committee, which comprises the independent non-executive Directors, namely Mr. Lin Meng-Tsung, Mr. Lin Yi-Min and Mr. Liu Wei-Li, has been established by the Board to make a recommendation to the Independent Shareholders as to whether the terms of the Proposal and the Scheme are, or are not, fair and reasonable and as to voting at the Court Meeting and the EGM.

Pursuant to Rule 2.8 of the Takeovers Code, the Independent Board Committee comprises all non-executive Directors who have no direct or indirect interest in the Proposal. The non-executive Director of the Company, namely Ms. Wu Shu-Ping, is a director of AOCI, of which the Offeror is a wholly-owned subsidiary, and therefore is not a member of the Independent Board Committee.

Mr. Lai I-Jen and Mr. Kurihara Toshihiko, being the executive Directors of the Company, and Ms. Wu Shu-Ping, being the non-executive Director of the Company, are regarded as acting in concert with the Offeror. Each of Mr. Lai I-Jen, Mr. Kurihara Toshihiko and Ms. Wu Shu-Ping has abstained and will continue to abstain from voting at meetings of the Board in relation to the Proposal and the Scheme given his/her material interest in the Proposal. The Independent Board Committee has reserved its opinion pending the advice of the Independent Financial Adviser.

## **12. JOINT FINANCIAL ADVISERS TO THE OFFEROR**

The Offeror has appointed DL Securities and VBG Capital as its joint financial advisers in connection with the Proposal.



### **13. INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT BOARD COMMITTEE**

Halcyon Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee in connection with the terms of the Proposal and the Scheme. The appointment of Halcyon Capital Limited has been approved by the Independent Board Committee.

The advice of the Independent Financial Adviser and recommendation of the Independent Board Committee will be included in the Scheme Document and despatched to the Shareholders in due course.

### **14. WITHDRAWAL OF LISTING OF SHARES AND DELISTING OF TDRS**

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and extinguished and the share certificates in respect of the Scheme Shares will thereafter cease to have effect as document or evidence of title. The Company will apply to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules immediately following the Scheme becoming effective. The TDRs will also be delisted from the Taiwan Stock Exchange upon or after the delisting of all the Shares from the Stock Exchange.

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

### **15. IF THE SCHEME IS NOT APPROVED OR OTHERWISE LAPSES**

Subject to the requirements of the Takeovers Code, the Scheme will lapse if any of the Conditions has not been fulfilled or waived (as applicable) on or before the Long Stop Date. The listing of the Shares on the Stock Exchange will not be withdrawn and the TDRs will not be delisted from the Taiwan Stock Exchange if the Scheme does not become effective or otherwise lapses.

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

**Shareholders and potential investors of the Company should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.**

## **16. COSTS OF THE SCHEME**

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

## **17. OVERSEAS SCHEME SHAREHOLDERS**

The making and implementation of the Proposal to the Scheme Shareholders who are not resident in Hong Kong may be subject to the laws of the relevant jurisdictions in which such Scheme Shareholders are located. Such overseas Scheme Shareholders should inform themselves about and observe any applicable legal, tax or regulatory requirements. It is the responsibility of any overseas Scheme Shareholders wishing to take any action in relation to the Proposal to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with any other necessary formalities and the payment of any issue, transfer or other taxes in such jurisdiction.

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

In the event that the despatch of the Scheme Document to overseas Scheme Shareholders is prohibited by any relevant law or regulation or may only be effected after compliance with conditions or requirements that the directors of the Offeror or the Company regard as unduly onerous or burdensome or otherwise not in the best interests of the Offeror or the Company or their respective shareholders, the Scheme Document may not be despatched to such overseas Scheme Shareholders. For that purpose, the Offeror will apply for any waivers as may be required by the Executive pursuant to Note 3 to Rule 8 of the Takeovers Code at such time.

## **18. TAX AND INDEPENDENT ADVICE**

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

## **19. SCHEME SHARES, COURT MEETING AND EGM**

As at the Announcement Date, the Scheme Shares, being the Shares held by FLI and the Independent Shareholders (including the 80,000,000 Shares represented by TDRs), comprise 589,513,000 Shares (representing approximately 72.21% of the issued share capital of the Company) in issue.

All Scheme Shareholders will be entitled to attend and vote on the Scheme at the Court Meeting either in person or by proxy with any Scheme Shareholder being parties acting in concert with the Offeror (including FLI) abstained from voting at the Court Meeting. None of the Offeror and the Offeror Concert Parties who hold Shares will vote on the resolution described in paragraphs (1) to (2) under the section headed “4. Conditions of the Proposal and the Scheme”.

All Shareholders will be entitled to attend the EGM and vote on, among other things, (i) the special resolution to approve and give effect to the reduction of the number of issued Shares in the share capital of the Company by cancelling and extinguishing the Scheme Shares; and (ii) the ordinary resolution to simultaneously upon the reduction of issued share capital increase the issued Shares in the share capital of the Company to the amount prior to the cancellation and extinguishment of the Scheme Shares by the allotment and issuance at par to the Offeror of the aggregate number of new Shares, credited as fully paid, as is equal to the number of Scheme Shares cancelled and extinguished and to apply the reserve created in the Company’s books of account as a result of the capital reduction to pay up in full at par such number of new Shares so allotted and issued to the Offeror.

The Offeror and the Offeror Concert Parties will undertake to the Grand Court that they will be bound by the Scheme, so as to ensure that they will be subject to the terms and conditions of the Scheme and that they will execute and do, and procure to be executed and done, all such documents, acts and things as may be necessary or desirable for the purpose of giving effect to the Scheme.

## **20. DESPATCH OF SCHEME DOCUMENT**

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

For the TDR Holders, the Scheme Document will be delivered to the Depository Agent for the Depository Agent to take necessary actions on behalf of the TDR Holders, such as relaying messages including notices to the TDR Holders, receiving applications from the TDR Holders to convert their TDRs into Shares and handling payments to the Independent TDR Holders.

Under Rule 8.2 of the Takeovers Code, the Scheme Document should be despatched to the Shareholders within 21 days of the Announcement Date, that is, on or before 5 November 2021. The Scheme Document may only be despatched to the Shareholders after the Grand Court has, at a Directions Hearing to be held on a date to be fixed by the Grand Court, directed the holding of the Court Meeting.

As additional time is required to procure the holding of the Directions Hearing and to finalise the financial information to be included in the Scheme Document, an application will be made with the Executive for its consent to extend the latest time for the despatch of the Scheme Document. Further announcement(s) will be made by the Company and the Offeror in respect of the application for the consent and the expected date of despatch of the Scheme Document.

A detailed timetable for the Proposal will be set out in the Scheme Document and in the announcement to be jointly made by the Company and the Offeror upon despatch of the Scheme Document. The Scheme Document will contain important information, and the Scheme Shareholders and TDR Holders are urged to read the Scheme Document containing such disclosures carefully before casting any vote at (or providing any proxy in respect of) the Court Meeting or the EGM. Any voting, acceptance or other response to the Proposal should be made only on the basis of information in the Scheme Document or any other document by which the Proposal is made.

## **21. DISCLOSURE OF DEALINGS**

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

Neither the Offeror nor any of the Offeror Concert Parties had any dealings for value in the Shares during the period commencing six months prior to the Announcement Date.

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

*“Responsibilities of stockbrokers, banks and other intermediaries*

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates 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 obligations of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

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

## 22. GENERAL

As at the Announcement Date:

- (a) save as disclosed in the section headed “5. Shareholding Structure of the Company” above, none of the Offeror and the Offeror Concert Parties owned, controlled or had direction over any voting rights and rights over Shares in the Company;
- (b) save for the Irrevocable Undertaking, none of the Offeror and the Offeror Concert Parties had received an irrevocable commitment to vote for or against the Scheme;
- (c) save as disclosed in the section headed “5. Shareholding Structure of the Company” above, none of the Offeror and the Offeror Concert Parties held any convertible securities, warrants or options in respect of voting rights and rights over Shares in the Company;
- (d) none of the Offeror and the Offeror Concert Parties had entered into any outstanding derivative in respect of securities in the Company;
- (e) save for the Irrevocable Undertaking, there are no arrangements (whether by way of option, indemnity or otherwise) in relation to the Shares or the shares of the Offeror between the Offeror or any of the Offeror Concert Parties and any other person which might be material to the Proposal and/or the Scheme;
- (f) there was no agreement or arrangement to which the Offeror is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Proposal and/or the Scheme;
- (g) none of the Offeror and the Offeror Concert Parties had borrowed or lent any Shares or any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (h) save for the Cancellation Price payable under the Scheme, there is no other consideration, compensation or benefit in whatever form paid or to be paid by the Offeror and the Offeror Concert Parties to the Scheme Shareholders or persons acting in concert with them in relation to the Scheme Shares; and
- (i) save for the Irrevocable Undertaking, there is no agreement, arrangement, understanding or special deal (as defined under Rule 25 of the Takeover Code) between (i) any Shareholder; and (ii)(a) the Offeror and any of the Offeror Concert Parties or (b) the Company, its subsidiaries or associated companies.

## 23. RESUMPTION OF TRADING IN SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was halted from 1:00 p.m. on 6 October 2021 pending issuance of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on Monday, 18 October 2021.

## 24. DEFINITIONS

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

“acting in concert”	has the meaning ascribed to it in the Takeovers Code and “concert party” shall be construed accordingly
“Announcement Date”	15 October 2021, being the date of this joint announcement
“AOCI”	Asia Optical Co., Inc., a company incorporated in Taiwan with limited liability and whose shares are listed on the Taiwan Stock Exchange with the stock code of 3019, and wholly owns the Offeror and RIG and being an Offeror Concert Party
“associate”	has the meaning ascribed to it in the Takeovers Code
“Authorisations”	authorisations, registrations, filings, rulings, consents, opinions, permissions, waivers, exemptions and approvals required from the Relevant Authorities or other third parties which are necessary for any members of the Group to carry on its business
“Board”	the board of Directors
“Cancellation Price”	the cancellation price of HK\$0.88 per Scheme Share cancelled and extinguished payable in cash by the Offeror to the Scheme Shareholders pursuant to the Scheme
“Companies Act”	the Companies Act, Cap. 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	Yorkey Optical International (Cayman) Ltd. (精熙國際(開曼)有限公司*), a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 2788)
“Condition(s)”	the condition(s) to the implementation of the Proposal and the Scheme as described in the section headed “4. Conditions of the Proposal and the Scheme” of this joint announcement
“Court Meeting”	a meeting of the Scheme Shareholders to be convened and held at the direction of the Grand Court at which the Scheme (with or without modification) will be voted upon, or any adjournment thereof
“Depository Agent”	CTBC Bank Co., Ltd., which issued the TDRs as an agent of the Company
“Directions Hearing”	a directions hearing of the Grand Court for the purpose of giving direction as to the holding of the Court Meeting

“Director(s)”	the director(s) of the Company
“DL Securities”	DL Securities (HK) Limited, a licensed corporation to conduct Type 1 (Dealing in Securities), Type 4 (Advising on Securities) and Type 6 (Advising on Corporate Finance) regulated activities under the SFO and joint financial adviser to the Offeror in relation to the Proposal
“Effective Date”	the date on which the Scheme, if approved and sanctioned by the Grand Court, becomes effective in accordance with its terms and the Companies Act, being the date on which a copy of the order of the Grand Court sanctioning the Scheme and confirming the reduction of issued share capital resulting from the cancellation and extinguishment of the Scheme Shares is delivered to the Registrar of Companies in the Cayman Islands for registration pursuant to Section 86(3) of the Companies Act
“EGM”	an extraordinary general meeting of the Company to be convened and held as soon as practicable following the conclusion or adjournment of the Court Meeting for the purposes of passing all necessary resolution(s) for, among other things, the implementation of the Scheme
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission or any delegate thereof
“FLI”	Fortune Lands International Ltd., a company incorporated under the laws of the British Virgin Islands with limited liability, being an Offeror Concert Party and the founder and trustee of The Yorkey Employees’ Trust
“Grand Court”	the Grand Court of the Cayman Islands
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Company established by the Board to make a recommendation to the Independent Shareholders in respect of the Proposal and the Scheme
“Independent Financial Adviser”	Halcyon Capital Limited, a licensed corporation to conduct Type 6 (Advising on Corporate Finance) regulated activities under the SFO and the independent financial adviser to the Independent Board Committee in relation to the Proposal and the Scheme
“Independent Shareholder(s)”	Shareholder(s) other than the Offeror and the Offeror Concert Parties

“Independent TDR Holder(s)”	TDR Holder(s) other than the Offeror and the Offeror Concert Parties
“Irrevocable Undertaking”	the irrevocable undertaking dated 13 October 2021 and given by the Undertaking Shareholder in favour of the Offeror in respect of the Undertaking Scheme Shares
“Joint Financial Advisers”	DL Securities and VBG Capital
“Last Trading Day”	6 October 2021, being the last trading day of Shares prior to the suspension of trading in the Shares pending the issuance of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Long Stop Date”	13 April 2022 (or such later date as the Offeror, the Company and the Joint Financial Advisers may determine and, to the extent applicable, as the Grand Court on the application of the Company may direct and in all cases, as the Executive may consent)
“Offer Period”	the period commencing on the Announcement Date and as defined in the Takeovers Code
“Offeror”	Asia Optical International Ltd., a company incorporated in the British Virgin Islands with limited liability
“Offeror Concert Party(ies)”	party(ies) acting in concert or presumed to be acting in concert with the Offeror under the definition of “acting in concert” under the Takeovers Code, including AOCI, FLI, Mr. Chan Sun-Ko, RIG, Mr. Lai I-Jen, Mr. Kurihara Toshihiko and Ms. Wu Shu-Ping
“Operating Rules”	Operating Rules of the Taiwan Stock Exchange (台灣證券交易所股份有限公司營業細則)
“PRC”	the People’s Republic of China (for the purpose of this joint announcement, excluding Hong Kong, the Macao Special Administrative Region and Taiwan)
“Proposal”	the proposal for the privatisation of the Company by the Offeror by way of the Scheme, and the withdrawal of the listing of the Shares from the Stock Exchange and the delisting of the TDRs from the Taiwan Stock Exchange on the terms and subject to the conditions set out in this joint announcement
“Register”	the principal or branch register of members of the Company (as the case may be) in respect of the Shares



“Relevant Authorities”	appropriate governments and/or governmental bodies, regulatory bodies, courts or institutions
“RIG”	Richman International Group Co., Ltd., a company incorporated under the laws of the British Virgin Islands with limited liability, a direct wholly-owned subsidiary of AOCI and being an Offeror Concert Party
“Scheme”	a scheme of arrangement between the Company and the Scheme Shareholders under Section 86 of the Companies Act (subject to the Conditions) involving the cancellation and extinguishment of all the Scheme Shares in exchange for the Cancellation Price and the simultaneous restoration of the number of issued Shares in the share capital of the Company to the number prior to the cancellation and extinguishment of the Scheme Shares
“Scheme Document”	the composite scheme document to be jointly issued by the Company and the Offeror to the Shareholders and the TDR Holders containing, among other things, further details of the Proposal together with the additional information specified in the section headed “20. Despatch of Scheme Document” of this joint announcement
“Scheme Record Date”	the appropriate record date to be announced for the purpose of determining entitlements of the Scheme Shareholders to the Cancellation Price under the Scheme upon the Scheme becoming effective
“Scheme Share(s)”	Share(s), including the Undertaking Scheme Shares, the Shares held by FLI and the Share(s) represented by the TDR(s), but excluding the Shares held directly or indirectly by the Offeror and RIG
“Scheme Shareholder(s)”	registered holder(s) of the Scheme Shares
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	registered holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Taiwan Stock Exchange”	Taiwan Stock Exchange Corporation
“Takeovers Code”	The Code on Takeovers and Mergers in Hong Kong

“TDR(s)”	80,000,000 units of Taiwan depositary receipts issued and listed on the Taiwan Stock Exchange, each representing one Share in issue
“TDR Holder(s)”	holder(s) of the TDRs
“trading day”	a day on which the Stock Exchange is open for the business of dealings in securities
“Undertaking Scheme Shares”	an aggregate of 143,817,000 Shares, representing approximately 17.62% of the issued share capital of the Company as at the date of this joint announcement, held by the Undertaking Shareholder
“Undertaking Shareholder”	Ability Enterprise (BVI) Co., Ltd., a company incorporated in the British Virgin Islands with limited liability
“US”	the United States of America
“US\$”	United States dollar(s), the lawful currency of the United States
“VBG Capital”	VBG Capital Limited, a licensed corporation to conduct Type 1 (Dealing in Securities) and Type 6 (Advising on Corporate Finance) regulated activities under the SFO and joint financial adviser to the Offeror in relation to the Proposal

By order of the board of  
**Asia Optical International Ltd.**  
**Asano Yuzo**  
*Director*

By order of the board of  
**Yorkey Optical International (Cayman) Ltd.**  
**Kurihara Toshihiko**  
*Executive Director and Chief Executive Officer*

Hong Kong, 15 October 2021

*As at the Announcement Date, the directors of the Offeror are Mr. Lai I-Jen and Mr. Asano Yuzo, and the directors of AOCI are Mr. Lai I-Jen, Ms. Wu Shu-Ping, Mr. Lin Tai-Lan, Mr. Lin Yu-Liang, Mr. Lu Hui-Ming, Mr. Chung Teng-Ko, and Mr. Jan Chyan-Long.*

*The directors of the Offeror and the directors of AOCI jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Group) 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 Directors in their capacity as 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 statement in this joint announcement misleading.*

*As at the Announcement Date, the Board comprises two executive Directors, namely, Mr. Lai I-Jen and Mr. Kurihara Toshihiko; one non-executive Director, namely, Ms. Wu Shu-Ping, and three independent non-executive Directors, namely, Mr. Lin Meng-Tsung, Mr. Liu Wei-Li and Mr. Lin Yi-Min.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Offeror and the Offeror Concert Parties) 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 directors of the Offeror in their capacity as directors 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 statement in this joint announcement misleading.*

*For the purpose of this joint announcement and for illustrative purpose only, US\$ is converted into HK\$ at the exchange rate of US\$1.00 to HK\$7.75. No representation is made that any amounts in US\$ or HK\$ has been or could be converted at the above rates or any other rates.*

*\* For identification purpose only*