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Master Success International

Investment Limited

萬事成國際投資有限公司

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

Yield Go Holdings Ltd.

耀高控股有限公司

*(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1796)*

JOINT ANNOUNCEMENT

- (1) COMPLETION OF THE SALE AND PURCHASE AGREEMENT
IN RELATION TO THE SALE AND PURCHASE OF
THE SALE SHARES IN YIELD GO HOLDINGS LTD.;**
**(2) UNCONDITIONAL MANDATORY CASH OFFER BY
HEAD & SHOULDERS SECURITIES LIMITED
FOR AND ON BEHALF OF
MASTER SUCCESS INTERNATIONAL INVESTMENT LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF
YIELD GO HOLDINGS LTD.
(OTHER THAN THOSE ALREADY OWNED AND/OR
AGREED TO BE ACQUIRED
BY MASTER SUCCESS INTERNATIONAL INVESTMENT LIMITED
AND PARTIES ACTING IN CONCERT WITH IT);
AND
(3) RESUMPTION OF TRADING**

Financial adviser to the Offeror



Capital 9 Limited

THE SALE AND PURCHASE AGREEMENT

The Board was informed by the Vendor that on 29 April 2022 (after trading hours), the Vendor, the Vendor Guarantor, the Offeror and the Offeror Guarantors entered into the Sale and Purchase Agreement, pursuant to which the Offeror agreed to acquire and the Vendor agreed to sell the Sale Shares, being 360,000,000 Shares in aggregate, representing 75% of the entire issued share capital of the Company as at the date of this joint announcement, at a consideration of HK\$247,500,000 in aggregate, equivalent to HK\$0.6875 per Sale Share.

Completion took place immediately upon the signing of the Sale and Purchase Agreement on the Completion Date, being 29 April 2022.

UNCONDITIONAL MANDATORY CASH OFFER

Immediately prior to the Completion, the Offeror and parties acting in concert with it (excluding the Vendor) did not hold, own, control or have direction over any Shares or voting rights of the Company or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. Immediately upon Completion and as at the date of this joint announcement, the Offeror and parties acting in concert with it are interested in an aggregate of 360,000,000 Shares, representing 75% of the entire issued share capital of the Company.

Upon the Completion, the Offeror is therefore required under Rule 26.1 of the Takeovers Code to make an Offer for all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it).

As at the date of this joint announcement, save for the 480,000,000 Shares in issue, the Company does not have any outstanding options, warrants, derivatives which are convertible into or which confer rights to holder(s) thereof to subscribe for or exchange into Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) and has not entered into any agreement for the issue of such options, derivatives, warrants or other relevant securities which are convertible or exchangeable into Shares.

Head & Shoulders Securities, on behalf of the Offeror, will make the Offer on the terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code on the following basis:

For each Offer Share.HK\$0.7212 in cash

The Offer Price of HK\$0.7212 per Offer Share is equal to the sum of (i) the purchase price per Sale Share of HK\$0.6875 paid by the Offeror under the Sale and Purchase Agreement; and (ii) the interest payable under the Promissory Note per Sale Share of HK\$0.0337. The Offer will be unconditional in all respects when made.

Principal terms of the Offer are set out in the section headed “Unconditional mandatory cash offer” below.

Value of the Offer

Based on the Offer Price of HK\$0.7212 per Offer Share and 480,000,000 Shares in issue as at the date of this joint announcement, the total issued share capital of the Company is valued at HK\$346,176,000. Assuming there being no change in the issued share capital of the Company from the date of this joint announcement up to the close of the Offer and excluding the aggregate of 360,000,000 Shares held by the Offeror and parties acting in concert with it immediately after the Completion, 120,000,000 Shares will be subject to the Offer. Based on the Offer Price of HK\$0.7212 per Offer Share, the value of the Offer will be approximately HK\$86,544,000.

Confirmation of sufficient financial resources

The Offeror intends to fund the consideration payable under the Offer in full by the Facility. Capital 9, being the financial adviser to the Offeror in respect of the Offer, is satisfied that sufficient resources are, and will remain, available to the Offeror to satisfy the amount of funds required for full acceptance of the Offer.

ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising Mr. Chan Ka Yu, Dr. Lo Ki Chiu and Mr. Leung Wai Lim (being all of the independent non-executive Directors) has been established by the Company pursuant to Rule 2.1 of the Takeovers Code to make a recommendation to the Independent Shareholders in respect of the Offer, as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer.

An independent financial adviser will be appointed by the Company, with approval of the Independent Board Committee, to advise the Independent Board Committee and the Independent Shareholders in respect of the Offer and, in particular, as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer. Further announcement(s) will be made by the Company in respect of the appointment of the independent financial adviser to the Independent Board Committee as and when appropriate.

DESPATCH OF THE COMPOSITE DOCUMENT

The Offeror and the Company intend to combine the offer document and the offeree's board circular in the Composite Document. Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document containing, amongst others, (i) further details of the Offer (including the expected timetable and the terms of the Offer); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Offer; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Offer; and (iv) the form of acceptance and transfer for the Offer Shares, should be despatched to the Shareholders within 21 days of 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.

RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 3 May 2022 pending the publication 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 12 May 2022.

WARNING

The Directors make no recommendation as to the fairness or reasonableness of the Offer or as to the acceptance of the Offer in this joint announcement, and strongly recommend the Independent Shareholders not to form a view on the Offer unless and until they have received and read the Composite Document, including the recommendation of the Independent Board Committee to the Independent Shareholders in respect of the Offer and the letter of advice from independent financial adviser to the Independent Board Committee.

Shareholders and potential investors are reminded to monitor the announcements to be made by the Company or jointly by the Offeror and the Company in respect of the progress of the Offer and are advised to exercise caution when dealing in the Shares. If Shareholders and potential investors are in any doubt about their position, they should consult their professional advisers.

The Board was informed by the Vendor that on 29 April 2022 (after trading hours), the Vendor, the Vendor Guarantor, the Offeror and the Offeror Guarantors entered into the Sale and Purchase Agreement, pursuant to which the Offeror agreed to acquire and the Vendor agreed to sell the Sale Shares, being 360,000,000 Shares in aggregate, representing 75% of the entire issued share capital of the Company as at the date of this joint announcement, at a consideration of HK\$247,500,000 in aggregate, equivalent to HK\$0.6875 per Sale Share.

Set out below are the principal terms of the Sale and Purchase Agreement.

THE SALE AND PURCHASE AGREEMENT

Date: 29 April 2022

Vendor: Hoi Lang Holdings Ltd.

Vendor Guarantor: Mr. Man Hoi Yuen

Purchaser: Master Success International Investment Limited

Offeror Guarantors: Mr. Chen Yidong and Mr. Lin Zheng

Subject of the Sale and Purchase Agreement

Pursuant to the Sale and Purchase Agreement, the Vendor agreed to sell and the Offeror agreed to purchase the Sale Shares, being 360,000,000 Shares, representing 75% of the entire issued share capital of the Company as at the date of this joint announcement. The Sale Shares were sold free from all encumbrances and together with all rights attached to the Sale Shares as at Completion, including the rights to all dividends and distributions which may be declared, paid or made on Completion Date or thereafter.

Consideration for the Sale Shares

The consideration for the Sale Shares is HK\$247,500,000 in aggregate, equivalent to HK\$0.6875 per Sale Share, which was agreed between the Offeror and the Vendor after arm's length negotiations. A deposit in the amount of HK\$30,000,000 has been paid by Mr. Lin Zheng to the Vendor pursuant to a memorandum of understanding and a supplemental memorandum of understanding entered into between Mr. Lin Zheng and the Vendor. Mr. Lin Zheng irrevocably confirmed that the deposit shall be applied against the Consideration. The balance of the Consideration was paid by the Offeror to the Vendor on 29 April 2022 in the following manner:

- (i) a sum of HK\$66,000,000 was paid by the Offeror by cashier's order to the Vendor; and
- (ii) a sum of HK\$151,500,000 was settled by the delivery of the Promissory Note.

The price per Sale Share was fixed after commercial negotiation between the Offeror and the Vendor having taken into account that (i) the price per Sale Share represented a premium of approximately 145.54% over the net asset value per Share of approximately HK\$0.28 as at 31 March 2021 and 30 September 2021; and (ii) the prevailing closing market price of the Shares in the range of HK\$0.55 to HK\$1.30 per Share within 90 days prior to the execution of the memorandum of understanding on 6 September 2021.

Provisions regarding nomination and resignation of Directors

Subject to compliance with Listing Rules, Takeovers Code and the articles of association of the Company, from the date of the Sale and Purchase Agreement until all payments under the Promissory Note are fully settled,

- (a) the Offeror can only nominate no more than 2 directors to the Board; and
- (b) not do anything that would cause Mr. Man Hoi Yuen and/or Mr. Ho Chi Hong to lose their positions in the Board. For the avoidance of doubt, if Mr. Man Hoi Yuen and/or Mr. Ho Chi Hong has to undergo a re-election pursuant to the Listing Rules and/or the articles of association of the Company, the Offeror undertakes to vote for any such resolution in the relevant general meeting.

The sole reason for agreeing Mr. Man Hoi Yuen and Mr. Ho Chi Hong to stay in the Board is to protect the Vendor's legitimate interest in the Promissory Note and Share Charge. Such arrangement will only be in place until full settlement of payment obligations by the Offeror under the Promissory Note. Once the payment obligations under the Promissory Note are fully settled, there is no agreement preventing the Offeror to ask Mr. Man Hoi Yuen and Mr. Ho Chi Hong to leave the Board. The remuneration of Mr. Man Hoi Yuen and Mr. Ho Chi Hong will remain unchanged. Such arrangement is put in place to protect Vendor as a creditor and not a special deal with favourable condition.

Promissory Note

The principal terms of the Promissory Note are as follows:

Issuer:	the Offeror
Co-Issuer:	Mr. Lin Zheng
Noteholder:	the Vendor
Principal amount:	HK\$151,500,000
Issue date:	29 April 2022
Maturity date:	28 April 2023

Interest rate: 8% per annum payable monthly in arrears on the outstanding principal amount, being HK\$1,010,000 per month

Security: the Share Charge

The aggregate sum of principal and all interest payable under the Promissory Note is HK\$163,620,000.

From the issue date of the Promissory Note until all payments under the Promissory Note are fully settled, the Offeror shall not and shall not procure others to:

- (a) change the capital structure, increase the authorised or issued share capital of the Company, issue or allocate any new shares, warrants, options or any derivatives, loan capital of the Company, create any rights to subscribe for the Shares, to grant or agree to grant or redeem or modify the terms of any existing options, acquire any rights convertible into Shares or loan capital of the Company;
- (b) issue any shares, warrants or derivatives, other securities or loan capital of the Company;
- (c) issue any bonds or convertible bonds of the Company;
- (d) purchase or redeem any Shares or provide financial assistance for any such activities;
- (e) alter the provisions of the memorandum and articles of association of the Company;
- (f) do anything which may in any way depreciate, jeopardise or otherwise prejudice the value of the Charged Shares; and
- (g) change or nominate any director to the Board, with the exception of requesting for the resignation of Ms. Ng Yuen Chun in accordance with the Sale and Purchase Agreement, and the nomination of no more than 2 directors to the Board.

The Offeror further undertakes to procure the Board to comply with the aforesaid restrictions.

As the Vendor agreed to receive deferred payment via acceptance of the Promissory Note, the Vendor and its ultimate beneficial owners are presumed to be providing finance or financial assistance to the Offeror and acting in concert with the Offeror under Class (9) of the definition of “acting in concert” under the Takeovers Code.

If the Offeror is unable to fulfill any of its repayment obligation pursuant to the terms of the Promissory Note, the principal of the Promissory Note together with interest thereon shall become immediately due and payable on demand. There is no default interest. The Vendor may enforce the Share Charge and take possession and hold or dispose of all or any part of

the Charged Shares. Subject to the portion of the Charged Shares taken over and the manner of enforcement (the Charged Shares may be taken up by the Vendor or disposed of directly to independent third party), the Vendor or such independent third party who takes up such Charged Shares (or such portion thereof) may have an obligation to make a general offer pursuant to the Takeovers Code.

Share Charge

The Offeror executed the Share Charge in favour of the Vendor to secure all its obligations under the Promissory Note.

In addition to certain customary restrictions which may appear in a share charge, the Offeror made further undertakings with the Vendor that during the continuance of the Share Charge, the Offeror shall:

- (a) not vote for any plan or proposal for share split, stock dividend, share consolidation, share sub-division, bonus issue, distribution in specie, placement, rights issue, issue and/or grant of share option, share award, convertible bonds and/or any other derivatives or such other corporate actions in similar form or bearing a dilution effect on the issued share capital of the Company without prior written consent of the Vendor;
- (b) procure the Board not to propose for share split, stock dividend, share consolidation, share sub-division, bonus issue, distribution in specie, placement, rights issue, issue and/or grant of share option, share award, convertible bonds and/or any other derivatives or such other corporate actions in similar form or bearing a dilution effect on the issued share capital of the Company without prior written consent of the Vendor;
- (c) not nominate more than 2 directors to the Board; and
- (d) not do anything that would cause Mr. Man Hoi Yuen and/or Mr. Ho Chi Hong to lose their positions in the Board. If Mr. Man Hoi Yuen and/or Mr. Ho Chi Hong has to undergo a re-election pursuant to the Listing Rules and/or the articles of association of the Company, the Offeror undertakes not to and procure its nominees not to vote against any such resolution in the relevant general meeting.

Completion

Completion took place immediately upon the signing of the Sale and Purchase Agreement on the Completion Date, being 29 April 2022.

Immediately after Completion, neither the Vendor nor its ultimate beneficial owners owns any Shares or any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company, except that the Vendor is interested in the Charged Shares to secure the Offeror's obligations to pay the total principal amounts and the interests under the Promissory Note.

Special deal

Given that interest is payable under the Promissory Note, the Promissory Note confers favourable conditions on the Vendor, and accordingly constitutes a special deal under Rule 25 of the Takeovers Code.

In order to ensure that all the Shareholders are equally treated, the interest payable under the Promissory Note is taken into account in computing the Offer Price.

UNCONDITIONAL MANDATORY CASH OFFER

Immediately prior to the Completion, the Offeror and parties acting in concert with it (excluding the Vendor) did not hold, own, control or have direction over any Shares or voting rights of the Company or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

Immediately upon Completion and as at the date of this joint announcement, the Offeror and parties acting in concert with it are interested in an aggregate of 360,000,000 Shares, representing 75% of the entire issued share capital of the Company. The Offeror is therefore required under Rule 26.1 of the Takeovers Code to make an Offer for all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it).

As at the date of this joint announcement, save for the 480,000,000 Shares in issue, the Company does not have any outstanding options, warrants, derivatives which are convertible into or which confer rights to holder(s) thereof to subscribe for or exchange into Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) and has not entered into any agreement for the issue of such options, derivatives, warrants or other relevant securities which are convertible or exchangeable into Shares.

Head & Shoulders Securities, on behalf of the Offeror, will make the Offer on the terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code on the following basis:

For each Offer Share. HK\$0.7212 in cash

The Offer Price of HK\$0.7212 is equal to the sum of (i) the purchase price per Sale Share of HK\$0.6875 paid by the Offeror under the Sale and Purchase Agreement; and (ii) the interest payable under the Promissory Note per Sale Share of HK\$0.0337. The Offer will be unconditional in all respects when made.

The Offer will be extended to all Independent Shareholders in accordance with the Takeovers Code. The Offer Shares to be acquired under the Offer shall be fully paid and free from all encumbrances and together with all rights attaching to them and benefits attached thereto, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date on which the Offer is made, that is, the date of despatch of the Composite Document. As at the date of this joint announcement, the Company has not declared any dividend which is outstanding and not yet paid and the Company does not intend to declare, make or pay any dividend or other distributions prior to close of the Offer.

Comparison of Value

The Offer Price of HK\$0.7212 represents:

- (i) a discount of approximately 57.82% to the closing price of HK\$1.71 per Share as quoted on the Stock Exchange immediately before trading in the Shares were halted on 3 May 2022 and being the Last Trading Day (i.e. 29 April 2022);
- (ii) a discount of approximately 55.81% to the average closing price of HK\$1.632 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 53.50% to the average closing price of HK\$1.551 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 51.17% to the average closing price of HK\$1.477 per Share as quoted on the Stock Exchange for the last thirty (30) consecutive trading days up to and including the Last Trading Day;
- (v) a premium of approximately 157.57% over the audited consolidated net asset value of the Group of approximately HK\$0.28 per Share as at 31 March 2021 (being the date to which the latest audited consolidated annual results of the Group were made up), calculated based on the Group's audited consolidated net assets of approximately HK\$135,865,000 as at 31 March 2021 and 480,000,000 Shares in issue as at the date of this joint announcement; and
- (vi) a premium of approximately 157.57% over the unaudited consolidated net asset value of the Group of approximately HK\$0.28 per Share as at 30 September 2021 (being the date to which the latest unaudited consolidated interim results of the Group were made up), calculated based on the Group's unaudited consolidated net assets of approximately HK\$134,569,000 as at 30 September 2021 and 480,000,000 Shares in issue as at the date of this joint announcement.

Highest and lowest Share Prices

During the six-month period immediately prior to the date of this joint announcement and up to and including the Last Trading Day, the lowest closing price per Share as quoted on the Stock Exchange was HK\$1.00 on 1 November 2021, and the highest closing price per Share as quoted on the Stock Exchange was HK\$1.78 on 20 January 2022.

Value of the Offer

Based on the Offer Price of HK\$0.7212 per Offer Share and 480,000,000 Shares in issue as at the date of this joint announcement, the total issued share capital of the Company is valued at HK\$346,176,000. Assuming there being no change in the issued share capital of the Company from the date of this joint announcement up to the close of the Offer and excluding the aggregate of 360,000,000 Shares held by the Offeror and the parties acting in concert with it immediately after the Completion, 120,000,000 Shares will be subject to the Offer. Based on the Offer Price of HK\$0.7212 per Offer Share, the value of the Offer will be approximately HK\$86,544,000.

Confirmation of sufficient financial resources

The Offeror intends to fund the consideration payable under the Offer in full by the Facility. Capital 9, being the financial adviser to the Offeror in respect of the Offer, is satisfied that sufficient resources are, and will remain, available to the Offeror to satisfy the amount of funds required for full acceptance of the Offer.

DEALING AND INTERESTS IN SECURITIES OF THE COMPANY

Save for the Sale Shares disposed by the Vendor and acquired by the Offeror pursuant to the Sale and Purchase Agreement, the execution of the Share Charge, the Promissory Note and the Facility, the Offeror and parties acting in concert with it (including the Vendor and its ultimate beneficial owners) had not dealt for value in any Shares, options, derivatives, warrants or other securities convertible into Shares during the six-month period immediately prior to the date of this joint announcement, being the commencement date of the offer period under the Takeovers Code.

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

- (i) none of the Offeror and parties acting in concert with it has received any irrevocable commitment to accept or reject the Offer or any irrevocable undertaking from any Shareholders not to sell or transfer (or cause the same to be done) or otherwise dispose of (or permit any such action to occur in respect of) any interest in any Shares held by he/she/it/them;

- (ii) save for the Sale and Purchase Agreement, the Share Charge, the Promissory Note and the Facility, 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 or the shares of the Offeror and which may be material to the Offer;
- (iii) save for the Sale Shares, none of the Offeror and any parties acting in concert with it owns or has control or direction over any voting rights or rights over the Shares or convertible securities, options, warrants of the Company or any derivatives in respect of such securities;
- (iv) there is no agreement or arrangement to which the Offeror or parties acting in concert with it, is a party which relates to circumstances in which they may or may not invoke or seek to invoke a pre-condition or a condition to the Offer;
- (v) none of the Offeror and parties acting in concert with it has entered into any arrangement or contract in relation to any outstanding derivative in respect of securities in the Company nor has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (vi) save for the consideration for the Sale Shares (including the Promissory Note), there is no other consideration, compensation nor benefit in whatever form paid or to be paid by the Offeror and/or any parties acting in concert with it to the Vendor and its ultimate beneficial owners, the Vendor Guarantor and/or any party acting in concert with any of them in relation to or in connection with the sale and purchase of the Sale Shares;
- (vii) save for the Promissory Note, there is no other understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Vendor, its ultimate beneficial owners and any parties acting in concert with any of them on one hand, and the Offeror or any parties acting in concert with it on the other hand;
- (viii) save for the Promissory Note, there is no other understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeover Code) between (i) any Shareholder; and (ii)(a) the Offeror and any parties acting in concert with it or (ii)(b) the Company, its subsidiaries or associated companies;
- (ix) save for the restrictions under the Sale and Purchase Agreement, the Promissory Note and the Share Charge, there is no other agreement, arrangement or understanding that any securities acquired in pursuance of the Offer or the Sale Shares would be transferred, charged or pledged to any other person; and
- (x) there is no agreement, arrangement or understanding (including any compensation arrangement) between the Offeror or any person acting in concert with it and any of the Directors, recent directors of the Company, the Shareholders or recent shareholders of the Company having any connection with or dependence upon the outcome of the Offer.

Effects of Accepting the Offer

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

By accepting the Offer, the Independent Shareholders will sell their Shares to the Offeror free from all liens, claims, encumbrances and all third party rights and with all rights attached thereto as at the date on which the Offer is made or subsequently becoming attached to them, including the right to receive all dividends and other distributions, if any, the record date of which is on or after the date on which the Offer is made (i.e. the date of the despatch of the Composite Document). The making of the Offer to a person with a registered address in a jurisdiction outside Hong Kong may be affected by the applicable laws of the relevant jurisdiction. Shareholders with registered addresses in jurisdictions outside Hong Kong should inform themselves about and observe any applicable legal requirements in their own jurisdictions.

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

Payment

Payment in cash in respect of acceptances of the Offer will be made as soon as possible but in any event, within seven Business Days of the date on which 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. No fractions of a cent will be payable and the amount of consideration payable to a Shareholder who accepts the Offer will be rounded up to the nearest cent.

Hong Kong Stamp Duty

Seller's Hong Kong ad valorem stamp duty arising in connection with acceptances of the Offer will be payable by the relevant Independent Shareholders at a rate of 0.13% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher. The amount of such duty will be deducted from the cash amount payable by the Offeror to the relevant Independent Shareholders accepting the Offer. The Offeror will arrange for payment of the seller's Hong Kong ad valorem stamp duty on behalf of the relevant Independent Shareholders accepting the Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Offer and transfer of the Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

Taxation Advice

The Independent 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 the Offeror, the Company, the Vendor, Head & Shoulders Securities, Capital 9 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 Shareholders

The availability of the Offer to any Overseas Shareholders may be affected by the applicable laws and regulations of their relevant jurisdictions of residence. Overseas Shareholders should observe any applicable legal or regulatory requirements and, where necessary, consult their own professional advisers. It is the responsibilities of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant overseas 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 by such Overseas Shareholders in respect of such overseas jurisdictions).

If the receipt of the Composite Document by Overseas Shareholders is prohibited by any applicable laws and regulations or may only be effected upon compliance with conditions or requirements in such overseas jurisdictions that would be unduly burdensome, the Composite Document, subject to the Executive's consent, will not be despatched to such Overseas Shareholders. In those circumstances, 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.

SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this joint announcement, there are 480,000,000 Shares in issue. The Company does not have any outstanding options, warrants or derivatives or convertible rights affecting the Shares as at the date of this joint announcement.

The table below sets out the shareholding structure of the Company (i) immediately prior to Completion; and (ii) immediately upon Completion and as at the date of this joint announcement:

	Immediately prior to Completion		Immediately upon Completion and as at the date of this joint announcement	
	<i>Number of Shares</i>	<i>% of issued Shares</i>	<i>Number of Shares</i>	<i>% of issued Shares</i>
Offeror and the parties acting in concert with it				
– Offeror	–	–	360,000,000	75
– Parties acting in concert with the Offeror (excluding the Vendor)	–	–	–	–
– Vendor (<i>Note 1</i>)	360,000,000	75	–	–
Public Shareholders	<u>120,000,000</u>	<u>25</u>	<u>120,000,000</u>	<u>25</u>
Total	<u>480,000,000</u>	<u>100</u>	<u>480,000,000</u>	<u>100</u>

Notes:

- The Vendor is beneficially owned as to 50% by the Vendor Guarantor, 30% by Ms. Ng Yuen Chun, and 20% by Mr. Ho Chi Hong. Ms. Ng Yuen Chun is an executive Director and spouse of the Vendor Guarantor. Mr. Ho Chi Hong is an executive Director. As the Vendor agreed to receive deferred payment via acceptance of the Promissory Note, the Vendor is presumed to be providing finance or financial assistance to the Offeror and is presumed to be acting in concert with the Offeror under Class (9) of the definition of “acting in concert” under the Takeovers Code.
- Save as disclosed in note 1, there is no other Director holding the Shares (i) immediately before Completion; (ii) immediately after Completion and as at the date of this joint announcement.

INFORMATION ON THE GROUP

The Company is incorporated in the Cayman Islands with limited liability and the Shares are listed on the Main Board of the Stock Exchange. The Company acts as an investment holding company and its subsidiaries are principally engaged in fitting-out services and supply of fitting-out materials. The fitting-out services include both (i) fitting-out works conducted on new buildings; and (ii) interior renovation works on existing buildings that involve upgrades, makeovers and demolition of existing works.

Set out below is a summary of the audited/unaudited consolidated results of the Company for each of the two years ended 31 March 2020 and 31 March 2021 and the six months ended 30 September 2021 as extracted from the annual report for the year ended 31 March 2021 and the interim report for the six months ended 30 September 2021 of the Company respectively:

	For the six months ended 30 September 2021 (unaudited) HK\$'000	For the year ended 31 March 2021 (audited) HK\$'000	2020 (audited) HK\$'000
Revenue	105,714	278,182	420,302
Loss before taxation	(1,296)	(32,554)	(7,857)
Loss and total comprehensive expense for the year	(1,296)	(32,515)	(7,962)
Net assets	134,569	135,865	168,380

INFORMATION ON THE OFFEROR

The Offeror is an investment holding company incorporated under the laws of the British Virgin Islands with limited liability, which is owned as to 46.67% by Mr. Chen Yidong, 29.33% by Mr. Lin Zheng, 12% by Mr. Wang Kuan and 12% by Mr. Chen Jian.

Mr. Chen Yidong has experience in business management and property investment. He is one of the directors and founders holding 39% equity interest in China Yong Energy (Xiamen) Co., Ltd.* (華永能源廈門有限公司), a company incorporated in the PRC in 2019 which is principally engaged in the trading of commodities such as steel and property investment. He is also the beneficial owner of Xiamen Xunda International Trading Company Limited* (廈門迅達國際貿易有限公司), a company incorporated in the PRC in 2019 which is principally engaged in the trading of commodities such as steel and petrochemical products, and achieved turnover of over RMB4 billion in 2021. Apart from the above, Mr. Chen Yidong also invested in and managed business of Xiamen Dinglong Trading Company Limited* (廈門錠龍貿易有限公司), a company incorporated in the PRC in 2019 which is principally engaged in trading business.

Mr. Lin Zheng is the sole director of the Offeror. He is one of the founders and directors of Beijing Rebellion Technology Company Limited* (北京銳百凌科技有限公司) (“**Beijing Rebellion**”), a company incorporated in the PRC in 2017 which is principally engaged in the design and sales of gas and flame detection system. He also had experience in investing in and managing nickel smelting and trading business.

Mr. Wang Kuan has around 8 years’ experiences in outdoor and interior design industry. He is one of the founders and directors of Fuzhou Badu Decoration and Design Engineering Company Limited* (福州八度裝飾設計工程有限公司). a company incorporated in the PRC in 2015 which is principally engaged in outdoor and interior design. In 2019, he formed Yisu Meixue (Fuzhou) Technology Company Limited* (易素美學(福州)科技有限公司) which is also principally engaged in similar design business.

Mr. Chen Jian has over 10 years’ experiences in business management. He has been the deputy general manager of Beijing Rebellion since 2017. Before joining Beijing Rebellion, he took management role and focused in business development and marketing in other business enterprises in trading and software development industry.

Save as (i) the common interest in the Offeror; and (ii) Mr. Lin Zheng and Mr. Chen Jian are colleagues at Beijing Rebellion, there is no other relationship between/among any of the shareholders of the Offeror.

FUTURE INTENTIONS OF THE OFFEROR REGARDING THE GROUP

Following the close of the Offer, the Offeror intends that the Group will continue the principal business of the Group and will maintain the listing status of the Company. However, the Offeror will conduct a review of the business activities and assets of the Group for the purpose of formulating business plans and strategies for the future business development of the Group.

Subject to the results of the review, the Offeror may explore other business opportunities for the Company and consider whether any asset disposals, asset acquisitions, business rationalisation, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance long-term growth potential of the Company. However, as at the date of this joint announcement, no such investment or business opportunities has been identified nor has the Offeror entered into any agreement, arrangements, understandings or negotiation in relation to the injection of any assets or business into the Group. Further, the Offeror has no intention to discontinue the employment of the employees (save for the change in the composition of the Board) or to dispose of or redeploy the assets of the Group other than those in its ordinary course of business.

Proposed change of Board composition

The Board is currently made up of six Directors, comprising three executive Directors, being Mr. Man Hoi Yuen, Ms. Ng Yuen Chun, and Mr. Ho Chi Hong; and three independent non-executive Directors, being Mr. Chan Ka Yu, Dr. Lo Ki Chiu and Mr. Leung Wai Lim.

It is intended that Ms. Ng Yuen Chun will resign after Completion and with effect from the earliest time permitted under the Takeovers Code. The Offeror intends to nominate no more than 2 new Directors to the Board at the earliest time as allowed under the Takeovers Code and any such appointment will be made in compliance with the Takeovers Code and the Listing Rules and further announcement(s) will be made as and when appropriate.

Public float and maintaining the listing status of the Company

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

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public at all times, or if the Stock Exchange believes that:

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

then the Stock Exchange may exercise its discretion to suspend dealings in the Shares.

Therefore, it should be noted that upon close of the Offer, there may be insufficient public float of the Shares and the trading in the Shares may be suspended until sufficient public float exists for the Shares. The Offeror and the Board will jointly and severally undertake to the Stock Exchange to take appropriate steps within a reasonable period following the close of the Offer to ensure that at least 25% of the total number of issued Shares will be held by the public. The Offeror does not intend to avail itself of any powers of compulsory acquisition of any outstanding Offer Shares after the close of the Offer.

ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising Mr. Chan Ka Yu, Dr. Lo Ki Chiu and Mr. Leung Wai Lim (being all of the independent non-executive Directors) has been established by the Company, to advise the Independent Shareholders in relation to the terms and conditions of the Offer, in particular as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer. The above-named independent non-executive Directors have no direct or indirect interest or involvement in the Offer. It is considered appropriate for them to be members of the Independent Board Committee in this regard.

An independent financial adviser will be appointed by the Company, with approval of the Independent Board Committee, to advise the Independent Board Committee and the Independent Shareholders in respect of the Offer and in particular as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer. Further announcement(s) will be made by the Company in respect of the appointment of the independent financial adviser to the Independent Board Committee as and when appropriate.

DESPATCH OF THE COMPOSITE DOCUMENT

The Offeror and the Company intend to combine the offer document and the offeree's board circular in the Composite Document. Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document containing, amongst others, (i) further details of the Offer (including the expected timetable and the terms of the Offer); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Offer; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Offer; and (iv) the form of acceptance and transfer for the Offer Shares, should be despatched to the Shareholders within 21 days of 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.

DISCLOSURE OF DEALINGS IN SHARES

In accordance with Rule 3.8 of the Takeovers Code, associates (as defined under the Takeovers Code, including but not limited to a person who owns or controls 5% or more of any class of relevant securities (as defined in paragraphs (a) to (d) in Note 4 to Rule 22 of the Takeovers Code) of the Company or the Offeror) of the Company and the Offeror are hereby reminded to disclose their dealings in any securities of the Company pursuant to the requirements of the Takeovers Code. The full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below pursuant to Rule 3.8 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 HK\$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.”

RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 3 May 2022 pending the publication 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 12 May 2022.

WARNING

The Directors make no recommendation as to the fairness or reasonableness of the Offer or as to the acceptance of the Offer in this joint announcement, and strongly recommend the Independent Shareholders not to form a view on the Offer unless and until they have received and read the Composite Document, including the recommendation of the Independent Board Committee to the Independent Shareholders in respect of the Offer and the letter of advice from independent financial adviser to the Independent Board Committee.

Shareholders and potential investors are reminded to monitor the announcements to be made by the Company or jointly by the Offeror and the Company in respect of the progress of the Offer and are advised to exercise caution when dealing in the Shares. If Shareholders and potential investors are in any doubt about their position, they should consult their professional advisers.

DEFINITIONS

In this joint announcement (unless the context otherwise requires):

“acting in concert”	has the meaning ascribed to it in the Takeovers Code;
“associate”	has the meaning ascribed to it in the Takeovers Code;
“Board”	the board of the Directors;
“Business Day(s)”	a day on which the Stock Exchange is open for transaction of business;
“Capital 9”	Capital 9 Limited, a corporation licensed to carry on Type 6 (advising on corporate finance) regulated activities under the SFO and the financial adviser to the Offeror;
“Company”	Yield Go Holdings Ltd., a company established in the Cayman Islands, the shares of which are listed on the Stock Exchange (stock code: 1796);
“Completion”	completion of the Sale and Purchase Agreement;

“Completion Date”	the date on which Completion took place, being 29 April 2022;
“Composite Document”	the composite offer and response document to be jointly despatched by the Offeror and the Company to the Shareholders in accordance with the Takeovers Code in respect of the Offer;
“Charged Shares”	means the 360,000,000 Shares which are charged in favour of the Vendor pursuant to the Share Charge;
“Directors”	means the directors of the Company;
“Executive”	means the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director;
“Facility”	a loan facility of up to HK\$87,000,000 in aggregate severally granted by Head & Shoulders Securities to the Offeror as borrower pursuant to a facility agreement dated 29 April 2022 entered into between them, with the Offer Shares to be acquired by the Offeror under the Offer shall be deposited into its securities account opened with Head & Shoulders Securities as security;
“Group”	the Company and its subsidiaries;
“Head & Shoulders Securities”	Head & Shoulders Securities Limited, a corporation licensed to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts) and Type 4 (advising on securities) regulated activities under the SFO and the offer agent to the Offeror;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Shareholders”	all Shareholders other than the Offeror and parties acting in concert with it;
“Independent Board Committee”	the independent board committee of the Board, comprising all of the independent non-executive Directors, formed to advise the Independent Shareholders in respect of the Offer;
“Last Trading Day”	29 April 2022, being the last trading day of the Shares before the publication of this joint announcement;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

“Offer Price”	the price of HK\$0.7212 per Offer Share payable by the Offeror to the Shareholders for each Offer Share accepted under the Offer;
“Offer Share(s)”	all the Share(s) in issue, other than those Shares already owned or agreed to be acquired by the Offeror and parties acting in concert it;
“Offer”	the unconditional mandatory cash offer to be made by Head & Shoulders Securities for and on behalf of the Offeror for the Offer Shares in accordance with the Takeovers Code;
“Offeror”	Master Success International Investment Limited (萬事成國際投資有限公司), a company incorporated under the laws of the British Virgin Islands with limited liability, which is owned as to 46.67% by Mr. Chen Yidong (陳怡冬), 29.33% by Mr. Lin Zheng (林嶢), 12% by Mr. Wang Kuan (王寬), and 12% by Mr. Chen Jian (陳建);
“Offeror Guarantors”	Mr. Lin Zheng and Mr. Chen Yidong;
“Overseas Shareholders”	the Shareholders whose addresses, as shown on the register of members of the Company, are outside Hong Kong;
“PRC”	The People’s Republic of China, and for the purpose of this joint announcement, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan;
“Promissory Note”	a promissory note in the principal amount of HK\$151,500,000 with the interest calculated at 8% per annum issued by the Offeror and co-issued by Mr. Lin Zheng in favour of the Vendor for settlement of part of the consideration under the Sale and Purchase Agreement;
“Sale and Purchase Agreement”	the sale and purchase agreement dated 29 April 2022 entered into between the Vendor, the Vendor Guarantor, the Offeror and the Offeror Guarantors in relation to the sale and purchase of the Sale Shares;
“Sale Shares”	an aggregate of 360,000,000 Shares acquired by the Offeror pursuant to the Sale and Purchase Agreement;
“SFC”	the Securities and Futures Commission of Hong Kong;

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Shareholders”	holders of the Shares;
“Shares”	the ordinary shares of HK\$0.01 each in the capital of the Company;
“Share Charge”	the charge over the Sale Shares in favour of the Vendor granted by the Offeror as security under the Promissory Note;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers;
“Vendor”	Hoi Lang Holdings Ltd. (凱朗控股有限公司), a limited liability company incorporated in the British Virgin Islands which is owned as to 50% by the Vendor Guarantor, 30% by Ms. Ng Yuen Chun (吳婉珍), and 20% by Mr. Ho Chi Hong (何志康);
“Vendor Guarantor”	Mr. Man Hoi Yuen (文海源), an executive Director of the Company and 50% beneficial owner of the Vendor;
“%”	per cent.

By order of the sole director of
Master Success International Investment Limited
Lin Zheng
Sole Director

By order of the Board
Yield Go Holdings Ltd.
Man Hoi Yuen
Chairman and Executive Director

Hong Kong, 11 May 2022

As at the date of this announcement, the executive Directors are Mr. Man Hoi Yuen, Ms. Ng Yuen Chun and Mr. Ho Chi Hong and the independent non-executive Directors are Mr. Chan Ka Yu, Dr. Lo Ki Chiu and Mr. Leung Wai Lim.

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this joint announcement (other than any information relating to the Offeror and parties acting in concert with it) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those opinions 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 statement in this joint announcement misleading.

As at the date of this joint announcement, the sole director of the Offeror is Mr. Lin Zheng.

The sole director of the Offeror accepts full responsibility for the accuracy of information contained in this joint announcement (other than that relating to the Group and the Directors) and confirm, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than those made 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 statement in this joint announcement misleading.

** for identification purpose only*