

THE SPA

On 23 November 2022 (after trading hours), the Offeror (as purchaser), the Vendor and the Guarantors entered into the SPA, pursuant to which the Offeror has conditionally agreed to purchase, and the Vendor has conditionally agreed to sell, in aggregate, 361,000,000 Sale Shares at the aggregate consideration of HK\$101,080,000 (being HK\$0.28 per Sale Share). The Sale Shares represent approximately 37.62% of the total number of Shares in issue as at the date of this joint announcement. Completion is conditional upon the fulfilment or waiver (as applicable) of the conditions precedent of the SPA set out in the section headed “The SPA – Conditions precedent” in this joint announcement. Subject to the conditions precedent under the SPA being fulfilled or waived (as applicable), Completion is expected to take place on the Completion Date (or such other date as may be agreed by the Vendor and the Purchaser in writing).

An announcement will be made by the Offeror and the Company when Completion takes place or otherwise as and when appropriate.

POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER

As at the date of this joint announcement and before Completion, (a) the Offeror and parties acting in concert with it own, control or have direction over 96,950,000 Shares, of which 90,000,000 Shares and 6,950,000 Shares are held by Mr. Kwok and Mr. Zhan, respectively, representing approximately 10.10% of the total number of Shares in issue; and (b) the parties presumed to be acting in concert with the Offeror (by virtue of its sole beneficial owner, Mr. Kwok, being an executive Director) own, control or have direction over 451,600,000 Shares, of which 408,000,000 Shares are held by the Vendor (which is beneficially owned as to 50% by Mr. Chan Kam Tong and 50% by Mr. Chan Kam Ming, each being an executive Director) and 43,600,000 Shares are held by Mr. Tang Chi Kin (an executive Director), representing approximately 47.07% of the total number of Shares in issue. Thus, as at the date of this joint announcement and before Completion, the Offeror and parties acting, and presumed to be acting, in concert with it own, control or have direction over 548,550,000 Shares, representing approximately 57.17% of the total number of Shares in issue. Subject to and upon Completion, the Offeror and parties acting in concert with it (i.e. Mr. Kwok and Mr. Zhan) will own 457,950,000 Shares, representing approximately 47.73% of the total number of Shares in issue as at the date of this joint announcement. However, as the Offeror and parties acting, and presumed to be acting, in concert with it own, control or have direction over 548,550,000 Shares, representing approximately 57.17% of the total number of Shares in issue, the Offeror will therefore be required to make a mandatory unconditional general offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and Mr. Kwok) pursuant to Rule 26.1 of the Takeovers Code.

Principal Terms of the Offer

Subject to and upon Completion, Somerley will, for and on behalf of the Offeror, make the Offer in compliance with the Takeovers Code on the following basis:

Offer Price for each Offer Share HK\$0.28 in cash

The Offer Price of HK\$0.28 per Offer Share under the Offer is the same as the purchase price per Sale Share payable by the Offeror under the SPA.

The Offer will be unconditional in all respects when it is made. Under the terms of the Offer, the Offer Shares will be acquired fully paid and free from all Encumbrances, together with all rights attached thereto on or after the date on which the Offer is made, being the date of despatch of the Composite Document, including the right to receive in full all dividends and other distributions declared, if any, the record date of which falls on or after the date of despatch of the Composite Document.

The Company confirms that as at the date of this joint announcement, (i) it has not declared any dividend which is not yet paid; and (ii) it does not have any intention to declare or pay any future dividend or make other distributions prior to and including the date of closing of the Offer. If, after the date of this joint announcement and up to the closing of the Offer, any dividend or other distribution is made or paid in respect of the Offer Shares, the Offeror reserves the right to reduce the Offer Price by an amount equal to the net amount of such dividend or other distribution.

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

Total value of the Offer

On the basis of the Offer Price of HK\$0.28 per Offer Share and 508,487,500 Offer Shares subject to the Offer, the Offer is valued at HK\$142,376,500.

On the basis of the Offer Price of HK\$0.28 per Offer Share and 959,487,500 Shares in issue as at the date of this joint announcement, the entire issued share capital of the Company is valued at approximately HK\$268,656,500.

Irrevocable undertakings not to accept the Offer

Immediately after Completion, the Vendor will continue to be the beneficial owner of the 47,000,000 Remaining Shares, representing approximately 4.90% of the total number of Shares in issue. On 30 November 2022, the Vendor gave, and the Guarantors have undertaken to guarantee the performance of, the Vendor's Irrevocable Undertaking to the Offeror in respect of the Remaining Shares held by it that it (i) will not sell, offer to sell, contract to sell, or otherwise transfer or dispose of, any of the Remaining Shares during the Lock-up Period; (ii) will not enter into any swap or other arrangement that transfer the ownership of any of the Remaining Shares during the Lock-up Period; and (iii) will not accept the Offer with respect to the Remaining Shares. The Vendor's Irrevocable Undertaking not to accept the Offer will cease to be binding if the SPA is terminated and/or does not proceed to Completion or upon the Offer being closed or withdrawn in compliance with the Takeovers Code.

In addition, as at the date of this joint announcement, Mr. Zhan holds 6,950,000 Shares, representing approximately 0.72% of the total number of Shares in issue. On 30 November 2022, Mr. Zhan gave Mr. Zhan's Irrevocable Undertaking to the Offeror that he will not accept the Offer or sell any of the 6,950,000 Shares held by him to the Offeror or the parties acting in concert with it under the Offer or otherwise make his Shares available for acceptance under the Offer. Mr. Zhan's Irrevocable Undertaking shall cease to be binding if the SPA is terminated and/or does not proceed to Completion, or upon the Offer being closed or withdrawn in compliance with the Takeovers Code.

Financial resources available to the Offeror

The consideration under the SPA is HK\$101,080,000. On 23 November 2022, pursuant to the SPA, the total consideration has been paid by the Offeror from its internal resources as to (i) HK\$20,216,000 to the Vendor as deposit; and (ii) HK\$80,864,000 to an escrow account.

Each of the Vendor holding 47,000,000 Shares upon Completion and Mr. Zhan holding 6,950,000 Shares has undertaken not to accept the Offer, therefore the Offeror's maximum payment obligation under the full acceptance of the Offer shall be 454,537,500 Shares and such consideration shall not be more than HK\$127,270,500, assuming there is no change in the total number of Shares in issue from the date of this joint announcement up to the close of the Offer. The Offeror intends to finance such amount by the standby facility granted by Get Nice Securities.

Somerley and Get Nice Capital, being the joint financial advisers to the Offeror in respect of the Offer, are satisfied that sufficient financial resources are, and will remain, available to the Offeror to satisfy the consideration under the SPA and the full acceptance of the Offer.

ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising all three independent non-executive Directors, namely Mr. Hau Wing Shing Vincent, Mr. Wan Simon and Mr. Zhang Jue, who have no direct or indirect interest in the Offer, has been established pursuant to Rule 2.1 of the Takeovers Code to make a recommendation to the Offer Shareholders as to whether the terms of the Offer are fair and reasonable and as to acceptance of the Offer.

APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

With the approval of the Independent Board Committee, Veda Capital Limited has been appointed as the Independent Financial Adviser pursuant to Rule 2.1 of the Takeovers Code to advise the Independent Board Committee in connection with the Offer and in particular as to whether the Offer is, or is not, fair and reasonable and as to acceptance of the Offer.

DESPATCH OF THE COMPOSITE DOCUMENT

If the Offer materialises, it is the intention of the Offeror and the Company to combine the offer document and the offeree board circular into the Composite Document.

Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document, containing, among other things, (i) the terms and conditions of the Offer; (ii) the expected timetable of the Offer; (iii) a letter from Somerley to the Offer Shareholders; (iv) a letter of recommendation from the Independent Board Committee to the Offer Shareholders in respect of the Offer; and (v) a letter of advice from the Independent Financial Adviser to the Independent Board Committee in respect of the Offer, together with the forms of acceptance and transfer, is required to be despatched to the Shareholders within 21 days from the date of this joint announcement.

Further announcement(s) regarding the despatch of the Composite Document will be made by the Offeror and the Company as and when appropriate.

MAINTAINING THE LISTING STATUS OF THE COMPANY

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

Pursuant to the Listing Rules, if, after 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 or if the Stock Exchange believes that:

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

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

In such circumstances, the Offeror will take appropriate steps to ensure that sufficient public float as required under the Listing Rules exists for the Shares after the close of the Offer.

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 24 November 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 1 December 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. The Independent Board Committee has yet to consider and evaluate the Offer. This joint announcement is made in compliance with the Takeovers Code for the purpose of, among other things, informing Shareholders of the fact that the Company has been informed that the Offer will be made if Completion takes place.

The Directors strongly recommend the Offer Shareholders not to form a view on the Offer unless and until they have received and read the letter from the Independent Board Committee containing its recommendations to the Offer Shareholders in respect of the Offer and the letter from the Independent Financial Adviser containing its advice to the Independent Board Committee in respect of the Offer, which will be included in the Composite Document to be despatched to the Shareholders.

The Offer will only be made if Completion takes place and Completion is subject to the conditions precedent set out in the section headed “The SPA – Conditions precedent” in this joint announcement. Accordingly, the Offer may or may not be made. Further announcement will be made by the Offeror and the Company when Completion takes place or otherwise.

Shareholders and potential investors of the Company should exercise caution when dealing in the Shares, and if they are in any doubt about their position or as to the action they should take, they should consult their stockbroker, bank manager, solicitor or other professional advisers.

THE SPA

On 23 November 2022 (after trading hours), the Offeror (as purchaser), the Vendor and the Guarantors entered into the SPA, pursuant to which the Offeror has conditionally agreed to purchase, and the Vendor has conditionally agreed to sell, in aggregate, 361,000,000 Sale Shares at the aggregate consideration of HK\$101,080,000 (representing HK\$0.28 per Sale Share). The Sale Shares represent approximately 37.62% of the total number of Shares in issue as at the date of this joint announcement.

A summary of the salient terms of the SPA is set out below:

- Parties** : (i) the Offeror as purchaser of the Sale Shares;
- (ii) the Vendor as the seller of the Sale Shares; and
- (iii) the Guarantors as guarantors of the Vendor.
- Subject matter** : 361,000,000 Sale Shares in aggregate, representing approximately 37.62% of the total number of Shares in issue as at the date of this joint announcement.

The Sale Shares will be sold free from Encumbrances and together with all rights and benefits attaching or accruing to them on or after Completion.

Consideration : HK\$101,080,000 in aggregate, representing HK\$0.28 per Sale Share

The consideration for the SPA was arrived at based on arm's length negotiations between the Purchaser and the Vendor having taken into account, (i) the Shares closed in a rather wide range in 2022, from HK\$0.125 to HK\$0.700; (ii) the price per Sale Share represented a premium of 124.00% over the lowest closing price during 2022 and a premium of approximately 72.33% and approximately 27.61% over the net asset value per Share of approximately HK\$0.1625 and approximately HK\$0.2194 as at 31 March 2022 and 30 September 2022, respectively; and (iii) the trading volume of the Shares was thin in 2022 with an average daily trading volume of approximately 1,612,670 Shares.

Conditions precedent : Completion shall be conditional upon the following conditions precedent being fulfilled (or, where applicable, waived by the Purchaser):

- (a) all licences held by, or necessary for the business of, the Group (including the certificate of registration of general building contractor under the Buildings Ordinance (Cap. 123) and the licence to dispose of waste under the Waste Disposal Ordinance (Cap. 354)) having been obtained and remain in full force and effect;
- (b) no approval, consent, or other permission of any kind, from or by the Shareholders in general meeting, is necessary for the consummation of the SPA;
- (c) all approvals, authorisations, consents, licences, certificates, permits, concessions, agreements or other permissions of any kind of, from or by the Board, any governmental authority or regulatory body (including the Stock Exchange and the SFC) necessary for the consummation of the SPA having been obtained and remaining in full force and effect, and there being no decision, order or judgment having been issued or made by any governmental authority or regulatory body (including the Stock Exchange and the SFC) (if applicable) which prohibits or restricts or imposes conditions or limitations on the transactions contemplated under the SPA;
- (d) the Company maintaining sufficient public float of not less than 25% and the Shares remain listed on the Main Board of the Stock Exchange from the date of the SPA to Completion;

- (e) the listing of the Shares not having been withdrawn from, and the Shares continuing to be traded on, the Stock Exchange prior to Completion Date (save for any suspension for no longer than ten consecutive trading days or the suspension in connection with SPA) and neither the Stock Exchange nor the SFC having indicated that either one of them will object to such continued listing as at the Completion Date;
- (f) the Company has no material adverse change from the date of the SPA to Completion (save for any material adverse change resulting from force majeure);
- (g) the SFC advising that they have no further comment on this joint announcement to be released in connection with the SPA, and the publication of this joint announcement on the Stock Exchange's website by the Company;
- (h) the representations, warranties and undertakings given or made by the Vendor in the SPA remaining true and accurate in all material respects and not misleading as at the Completion Date and the Vendor has not breached any of its warranties as at the Completion Date; and
- (i) there being no potential legal action, ongoing proceedings or judgment against the Vendor which prohibits or restricts or imposes conditions or limitations on the transactions contemplated under the SPA.

As at the date of this joint announcement, neither the Purchaser nor the Vendor is aware of (i) any approvals, authorisations, consents, licences, certificates, permits, concessions, agreements or other permissions of any kind of, from or by any governmental authority or regulatory body (including the Stock Exchange and the SFC) necessary for the consummation of the SPA pursuant to condition (c); (ii) any decision, order or judgment having been issued or made by any governmental authority or regulatory body (including the Stock Exchange and the SFC) (if applicable) which prohibits or restricts or imposes conditions or limitations on the transactions contemplated under the SPA described in condition (c); or (iii) any potential legal action, ongoing proceedings or judgment against the Vendor which prohibits or restricts or imposes conditions or limitations on the transactions contemplated under the SPA as described in condition (i).

As at the date of this joint announcement, condition (g) has been satisfied.

The Purchaser may, at its absolute discretion, waive any of the conditions precedent set out above except condition (c), and (g), which cannot be waived. None of the conditions precedent set out above may be waived by the Vendor.

Payment

: The Offeror has paid 20% of the consideration for the Sale Shares (which is equivalent to HK\$20,216,000) from its internal resources to the Vendor as a deposit on the date of the SPA, which can be applied to off-set the consideration for the Sale Shares on the Completion Date and is refundable if the SPA is terminated and/or does not proceed to Completion. As for the remaining 80% of the consideration for the Sale Shares (which is equivalent to HK\$80,864,000), the Offeror has paid on the date of the SPA from its internal resources to an escrow account (being an account in the name of the escrow agent opened at the escrow bank as agreed by the parties to the SPA), which shall be released to the Vendor in the following manner:

- (a) 20% of the consideration for the Sale Shares (equivalent to HK\$20,216,000) to be released to the Vendor on the Completion Date;
- (b) 40% of the consideration for the Sale Shares (equivalent to HK\$40,432,000) to be released to the Vendor within seven business days upon completion of changes of authorised signatories to all bank accounts of the Company;
- (c) 20% of the consideration for the Sale Shares (equivalent to HK\$20,216,000) to be released to the Vendor within seven business days after the Composite Document is despatched to all Shareholders.

It is expected that the changes of the authorised signatories to all bank accounts of the Company will be processed and completed within two to three weeks from the date of delivery of the board resolution of the Company approving the changes of authorised signatories to the relevant banks.

Completion : Subject to all the conditions precedent in the SPA having been fulfilled or waived (where applicable) in accordance with the SPA on or before the Long Stop Date, Completion shall take place on the Completion Date, which shall be the fifth (5th) business day after the day on which all the conditions precedent are fulfilled (or waived in accordance with the SPA), or such other date as the Vendor and the Purchaser may mutually agree in writing.

If, within one year after the Completion Date, it came to the attention of the Offeror that there were material breaches or inaccuracies of certain warranties and undertakings under the SPA, the Offeror may unwind the transactions contemplated under the SPA.

Long Stop Date : The SPA may be terminated by the Offeror or the Vendor if all the conditions precedent in the SPA have not been fulfilled or waived (where applicable) in accordance with the SPA on or before 23 December 2022 (Hong Kong time), being the date falling one month after the date of the SPA (or, any such other date as the Offeror and the Vendor may otherwise agree in writing).

SHAREHOLDING STRUCTURE OF THE COMPANY BEFORE AND AFTER COMPLETION

The following table sets out the shareholding structure of the Company (i) as at the date of this joint announcement and before Completion; and (ii) immediately after Completion (assuming no changes to the total number of Shares in issue from the date of this joint announcement up to the Completion Date):

	As at the date of this joint announcement and before Completion		Immediately after Completion	
	<i>Number of Shares</i>	<i>Approximate % of issued Shares</i>	<i>Number of Shares</i>	<i>Approximate % of issued Shares</i>
Offeror and its concert parties				
– Offeror	Nil	NA	361,000,000	37.62%
– Mr. Kwok	90,000,000	9.38%	90,000,000	9.38%
– Mr. Zhan	6,950,000	0.72%	6,950,000	0.72%
Sub-total of the Offeror and parties acting in concert with it	96,950,000	10.10%	457,950,000	47.73%

	As at the date of this joint announcement and before Completion		Immediately after Completion	
	<i>Number of Shares</i>	<i>Approximate % of issued Shares</i>	<i>Number of Shares</i>	<i>Approximate % of issued Shares</i>
Directors (save for Mr. Kwok) ⁽¹⁾				
– Chan Kam Tong and Chan Kam Ming ⁽²⁾	408,000,000	42.52%	47,000,000	4.90%
– Mr. Tang Chi Kin	43,600,000	4.54%	43,600,000	4.54%
Sub-total of the Directors	451,600,000	47.07%	90,600,000	9.44%
Sub-total of Offeror and parties acting, and presumed to be acting, in concert with it	548,550,000	57.17%	548,550,000	57.17%
Public Shareholders	410,937,500	42.83%	410,937,500	42.83%
Total	959,487,500	100.00%	959,487,500	100.00%

Notes:

- (1) The Directors are presumed to be acting in concert with the Offeror (by virtue of its sole beneficial owner, Mr. Kwok, being an executive Director) by virtue of class (6) of the definition of acting in concert.

Under class (6) of the definition of “acting in concert” of the Takeovers Code, directors of a company (together with their close relatives, related trusts and companies controlled by such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent are presumed to be acting in concert with others in the same class unless the contrary is established. As such, Mr. Chan Kam Tong, Mr. Chan Kam Ming and Mr. Tang Chi Kin are presumed to be acting in concert with the Offeror (by virtue of its sole beneficial owner, Mr. Kwok, being an executive Director) under class (6) presumptions under the definition of “acting in concert” in the Takeovers Code until the close of the Offer.

- (2) It refers to the number of Shares held by the Vendor which is beneficially owned as to 50% by Mr. Chan Kam Tong and 50% by Mr. Chan Kam Ming, each being an executive Director.
- (3) Due to rounding, the percentage figures shown above may not add up to the sub-total or total.

Following the close of the Offer, if the Offeror and Mr. Kwok and Mr. Zhan in aggregate will become interested not more than 50% of the voting rights of the Company, they will be required to comply with the requirements under Rule 26 of the Takeovers Code if their interest exceeds the 2% creeper threshold as specified in Rule 26.1(c) of the Takeovers Code.

POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER

As at the date of this joint announcement, (i) the Company has 959,487,500 Shares in issue; and (ii) there are no outstanding convertible securities, warrants, options or derivatives issued by the Company which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into Shares. As at the date of this joint announcement and before Completion, (a) the Offeror and parties acting in concert with it own, control or have direction over 96,950,000 Shares, of which 90,000,000 Shares and 6,950,000 Shares are held by Mr. Kwok and Mr. Zhan, respectively, representing approximately 10.10% of the total number of Shares in issue; and (b) the parties presumed to be acting in concert with the Offeror (by virtue of its sole beneficial owner, Mr. Kwok, being an executive Director) own, control or have direction over 451,600,000 Shares, of which 408,000,000 Shares are held by the Vendor (which is beneficially owned as to 50% by Mr. Chan Kam Tong and 50% by Mr. Chan Kam Ming, each being an executive Director) and 43,600,000 Shares are held by Mr. Tang Chi Kin (an executive Director), representing approximately 47.07% of the total number of Shares in issue. Thus, as at the date of this joint announcement and before Completion, the Offeror and parties acting, and presumed to be acting, in concert with it own, control or have direction over 548,550,000 Shares, representing approximately 57.17% of the total number of Shares in issue. Subject to and upon Completion, the Offeror and parties acting in concert with it (i.e. Mr. Kwok and Mr. Zhan) will own 457,950,000 Shares, representing approximately 47.73% of the total number of Shares in issue as at the date of this joint announcement. However, as the Offeror and parties acting, and presumed to be acting, in concert with it own, control or have direction over 548,550,000 Shares, representing approximately 57.17% of the total number of Shares in issue, the Offeror will therefore be required to make a mandatory unconditional general offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and Mr. Kwok) pursuant to Rule 26.1 of the Takeovers Code.

Principal Terms of the Offer

Subject to Completion, Somerley will, for and on behalf of the Offeror, make the Offer in compliance with the Takeovers Code on the following basis:

Offer Price for each Offer Share HK\$0.28 in cash

The Offer Price of HK\$0.28 per Offer Share under the Offer is the same as the purchase price per Sale Share payable by the Offeror under the SPA.

The Offer will be unconditional in all respects when it is made. Under the terms of the Offer, the Offer Shares will be acquired fully paid and free from all Encumbrances, together with all rights attached thereto on or after the date on which the Offer is made, being the date of despatch of the Composite Document, including the right to receive in full all dividends and other distributions declared, if any, the record date of which falls on or after the date of despatch of the Composite Document.

The Company confirms that as at the date of this joint announcement, (i) it has not declared any dividend which is not yet paid; and (ii) it does not have any intention to declare or pay any future dividend or make other distributions prior to and including the date of closing of the Offer. If, after the date of this joint announcement, any dividend or other distribution is made or paid in respect of the Offer Shares, the Offeror reserves the right to reduce the Offer Price by an amount equal to the net amount of such dividend or other distribution.

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

The making of the Offer is subject to Completion

The Offer will only be made if Completion takes place and Completion is subject to the conditions precedent set out in the section headed “The SPA – Conditions precedent” in this joint announcement. Accordingly, the Offer may or may not be made. Further announcement will be made by the Offeror and the Company when Completion takes place or otherwise.

Shareholders and potential investors of the Company should exercise caution when dealing in the Shares, and if they are in any doubt about their position or as to the action they should take, they should consult their stockbroker, bank manager, solicitor or other professional advisers.

Comparison of value

The Offer Price of HK\$0.28 per Offer Share represents:

- (i) a discount of 44.00% to the closing price of HK\$0.5000 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 43.89% to the average closing price of HK\$0.4990 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 44.83% to the average closing price of HK\$0.5075 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 45.26% to the average closing price of HK\$0.5115 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 72.33% over the audited consolidated equity attributable to the Shareholders of approximately HK\$0.1625 per Share as at 31 March 2022, calculated by dividing the Group's audited equity attributable to the Shareholders of approximately HK\$155,896,000 as at 31 March 2022 by 959,487,500 Shares in issue as at the date of this joint announcement; and
- (vi) a premium of approximately 27.61% over the unaudited consolidated equity attributable to the Shareholders of approximately HK\$0.2194 per Share as at 30 September 2022, calculated by dividing the Group's unaudited equity attributable to the Shareholders of approximately HK\$210,522,000 as at 30 September 2022 by 959,487,500 Shares in issue as at the date of this joint announcement.

Highest and lowest Share prices

The highest and the lowest closing prices of the Shares as quoted on the Stock Exchange during the six-month period immediately preceding the date of this joint announcement up to and including the Last Trading Day, were HK\$0.6000 per Share on 29 September 2022 and HK\$0.4000 per Share on 17 August 2022, respectively.

Total value of the Offer

As at the date of this joint announcement, there are 959,487,500 Shares in issue.

On the basis of the Offer Price of HK\$0.28 per Offer Share and 508,487,500 Offer Shares subject to the Offer, the Offer is valued at HK\$142,376,500.

On the basis of the Offer Price of HK\$0.28 per Offer Share and 959,487,500 Shares in issue as at the date of this joint announcement, the entire issued Shares is valued at approximately HK\$268,656,500.

Irrevocable undertakings not to accept the Offer

Immediately after Completion, the Vendor will continue to be the beneficial owner of the 47,000,000 Remaining Shares, representing approximately 4.90% of the total number of Shares in issue. On 30 November 2022, the Vendor gave, and the Guarantors have undertaken to guarantee the performance of, the Vendor's Irrevocable Undertaking to the Offeror in respect of the Remaining Shares held by it that it (i) will not sell, offer to sell, contract to sell, or otherwise transfer or dispose of, any of the Remaining Shares during the Lock-up Period; (ii) will not enter into any swap or other arrangement that transfer the ownership of any of the Remaining Shares during the Lock-up Period; and (iii) will not accept the Offer with respect to the Remaining Shares. The Vendor's Irrevocable Undertaking not to accept the Offer will cease to be binding if the SPA is terminated and/or does not proceed to Completion or upon the Offer being closed or withdrawn in compliance with the Takeovers Code.

In addition, as at the date of this joint announcement, Mr. Zhan holds 6,950,000 Shares, representing approximately 0.72% of the total number of Shares in issue. On 30 November 2022, Mr. Zhan gave Mr. Zhan's Irrevocable Undertaking to the Offeror that he will not accept the Offer or sell any of the 6,950,000 Shares held by him to the Offeror or the parties acting in concert with it under the Offer or otherwise make his Shares available for acceptance under the Offer. Mr. Zhan's Irrevocable Undertaking shall cease to be binding if the SPA is terminated and/or does not proceed to Completion, or upon the Offer being closed or withdrawn in compliance with the Takeovers Code.

Financial resources available to the Offeror

The consideration under the SPA is HK\$101,080,000. On 23 November 2022, pursuant to the SPA, the total consideration has been paid by the Offeror from its internal resources as to (i) HK\$20,216,000 to the Vendor as deposit; and (ii) HK\$80,864,000 to an escrow account.

Each of the Vendor holding 47,000,000 Shares upon Completion and Mr. Zhan holding 6,950,000 Shares has undertaken not to accept the Offer, therefore the Offeror's maximum payment under the full acceptance of the Offer shall be 454,537,500 Shares and such consideration shall not be more than HK\$127,270,500, assuming there is no change in the total number of Shares in issue from the date of this joint announcement up to the close of the Offer. The Offeror intends to finance such amount by the standby facility granted by Get Nice Securities. As security to such standby facility, (i) Mr. Kwok has charged 90,000,000 Shares (representing approximately 9.38% of the total number of Shares in issue) held by him in favour of Get Nice Securities and such share charge has become effective; and (ii) the Offeror will charge all the Sale Shares to be acquired from the Vendor and the Shares to be acquired under the Offer in favour of Get Nice Securities upon acquisition of such Shares.

Somerley and Get Nice Capital, being the joint financial advisers to the Offeror in respect of the Offer, are satisfied that sufficient financial resources are, and will remain, available to the Offeror to satisfy the consideration under the SPA and the full acceptance of the Offer.

Effect of accepting the Offer

By accepting the Offer, the relevant Offer Shareholder will be deemed to warrant that all Offer Shares to be sold by such person under the Offer are fully paid and free from all Encumbrances and together with all rights and benefits attaching thereto as at the date of the Composite Document or subsequently becoming attached to them, including but not limited to the right to receive in full all dividends, distributions and any return of capital, if any, which may be made or declared or agreed to be made or declared, and the record date of which falls on or after the date on which the Offer is made, being the date of the Composite Document.

Acceptance of the Offer will be irrevocable and will not be capable of being withdrawn, except in compliance with 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 (7) business days (being a day on which the Stock Exchange is open for the transaction of business) following the day on which the duly completed acceptances of the Offer and the relevant documents of title of the Offer Shares in respect of such acceptances are received by or for the Offeror to render each such acceptance complete and valid.

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

Hong Kong stamp duty

The seller's Hong Kong ad valorem stamp duty arising in connection with acceptances of the Offer will be payable by the relevant Offer Shareholders at a rate of 0.13% of the higher 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, and will be deducted from the amount payable by the Offeror to the relevant Offer Shareholders on acceptance of the Offer.

The Offeror will arrange for payment of the seller's Hong Kong ad valorem stamp duty on behalf of the relevant Offer Shareholders accepting the Offer and will pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Offer Shares.

Taxation advice

Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror and its concert parties, the Company, Somerley, Get Nice Capital 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).

Acceptance of the Offer by any Overseas Shareholder will be deemed to constitute a representation and warranty from such Overseas Shareholder to the Offeror that the local laws and requirements have been complied with. The Overseas Shareholders should consult their professional advisers if in doubt.

INTENTION OF THE OFFEROR IN RELATION TO THE GROUP

Following the close of the Offer, the Offeror intends to continue with the Group's existing businesses. The Offeror has no intention to (i) introduce any major changes to the existing operations and business of the Group upon the close of the Offer; (ii) discontinue the employment of any employees of the Group; or (iii) dispose of or re-deploy the fixed assets of the Company other than in its ordinary and usual course of business. The Offeror will continue to monitor and review the Group's business and operations from time to time, and may take steps that it deems necessary or appropriate to optimise the value of the Group.

PROPOSED CHANGE TO THE BOARD COMPOSITION OF THE COMPANY

As at the date of this announcement, the executive Directors are Mr. Chan Kam Tong, Mr. Chan Kam Ming, Mr. Kwok and Mr. Tang Chi Kin and the independent non-executive Directors are Mr. Hau Wing Shing Vincent, Mr. Wan Simon and Mr. Zhang Jue. Each of Mr. Chan Kam Tong and Mr. Chan Kam Ming will resign from office as a Director with effect from the date which is no earlier than such date as permitted under Rule 7 of the Takeovers Code. In addition, the Offeror intends to nominate Mr. Zhan as a new executive Director to facilitate the business operation and management of the Group with effect from the date which is no earlier than such date as permitted under Rule 26.4 of the Takeovers Code. Any changes to the members of the Board will be made in compliance with the Takeovers Codes, the Listing Rules, the articles of association of the Company and other applicable laws (where applicable).

The biography of Mr. Zhan is set out below:

Mr. Zhan, aged 33, graduated from Chongqing University with a Bachelor of Economics in 2012 and obtained a Master of Science in Applied Economics from the City University of Hong Kong in 2013. Mr. Zhan is a member of the CFA Institute. He has nearly 10 years of experience in operations and ESG investment research in the green technology industry. From 2013 to 2019, Mr. Zhan held corporate positions in a subsidiary of Chiho Environmental Group Limited (stock code: 976), a company listed on the Main Board of the Stock Exchange, with his last position as the assistant general manager. He joined Chun Yang International (HK) Company Limited ("**Chun Yang**") in 2019 as the vice president. During the period from May 2020 to September 2022, Mr. Zhan founded Dr. Green Technology Ltd., which is engaged in development and operation of carbon tracking systems and green environmental protection facilities. He subsequently rejoined Chun Yang as the deputy chief executive officer in September 2022. Chun Yang was wholly-owned by the Offeror until the Company acquired 40% and 60% of the equity interests in Chun Yang in April and August 2022, respectively.

The proposed term of office, level of remuneration of Mr. Zhan as an executive Director shall be determined and announced by the Company in due course. As at the date of this joint announcement, the Company has not entered into a service contract with Mr. Zhan in respect of his proposed appointment as an executive Director.

As at the date of this joint announcement, Mr. Zhan is directly interested in 6,950,000 Shares (representing approximately 0.72% of the total number of Shares in issue) and is the deputy chief executive officer of Chun Yang, a subsidiary of the Company and, as he acted for the Offeror to negotiate and discuss with the Vendor with respect to the terms of the SPA, he is a party acting in concert with the Offeror. Save as disclosed above, as at the date of this joint announcement, Mr. Zhan (i) has not held any other major appointments and professional qualifications or directorships in other listed companies in Hong Kong or overseas in the last three years; (ii) does not have any relationship with any Directors, senior management, substantial or controlling shareholders of the Company; (iii) does not hold other positions with the Company or other members of the Group; and (iv) is not interested in any Shares within the meaning of Part XV of the SFO.

Save as disclosed above, as at the date of this joint announcement, there is no information required to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters relating to Mr. Zhan's proposed appointment that need to be brought to the attention of the Shareholders.

MAINTAINING THE LISTING STATUS OF THE COMPANY

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

Pursuant to the Listing Rules, if, after 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 or if the Stock Exchange believes that:

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

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

In such circumstances, the Offeror will take appropriate steps to ensure that sufficient public float as required under the Listing Rules exists for the Shares after the close of the Offer.

INFORMATION ON THE GROUP

The Company is a company incorporated in the Cayman Islands with limited liability, and the Shares of which are listed on the Stock Exchange (stock code: 1783). The principal activity of the Group is the provision of superstructure building and repair, maintenance, alteration and addition work service as a main contractor in Hong Kong and provision of reverse supply chain management and environmental-related service.

As stated in the announcement of the Company relating to the interim results for the six months ended 30 September 2022 dated 21 November 2022, the Group has been actively exploring potential business to integrate environmental technologies in order to develop its unique competitiveness. Leveraging on the experience of the construction business, as well as the required regulatory licenses and technical know-how of the newly acquired entities, the Group has consolidated its internal resources and ventures into the Electric Vehicle (EV) after sales market, namely, EV Charger construction and installation and EV batteries second-life usage and treatment businesses, with the focus on exploring the development opportunities that come along with the infrastructure establishment in the northern district of Hong Kong. The Group expects that the increasing trend of EV adoption will continue, the Group will meticulously identify suitable investments in new operating and logistics facilities with the objectives of capitalising the upcoming growth opportunities.

Set out below is the summary of the financial information of the Group for the financial years ended 31 March 2021 and 2022 as extracted from the annual report of the Company for the year ended 31 March 2022 and the six months ended 30 September 2021 and 2022 as extracted from the interim results announcement of the Company for the six months ended 30 September 2022:

	For the year ended 31 March		For the six months ended 30 September	
	2021 <i>HK\$'000</i> (audited)	2022 <i>HK\$'000</i> (audited)	2021 <i>HK\$'000</i> (unaudited)	2022 <i>HK\$'000</i> (unaudited)
Revenue	210,660	591,900	223,408	265,875
Loss before income tax expense	(14,064)	(18,841)	(331)	(5,195)
Loss for the year/period attributable to the Shareholders	(12,314)	(19,391)	(331)	(5,165)

	As at 31 March		As at
	2021	2022	30 September
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)	(unaudited)
Total assets	234,153	360,570	438,126
Net assets attributable to the Shareholders	167,957	155,896	210,522

INFORMATION ON THE OFFEROR

The Offeror is an investment holding company incorporated in the BVI with limited liability on 2 April 2020. As at the date of this joint announcement, the Offeror is wholly-owned by Mr. Kwok, who is also an executive Director.

Mr. Kwok has over 25 years of experience in the environmental technology and new energy industries. He founded the Hong Kong Recycling Chamber of Commerce in 2015 and has been serving as its president. Since 2021, he has been a director of CR Environmental Protection Technology Research (Shenzhen) Co., Ltd.* (華潤環保應用技術研究(深圳)有限公司). In addition, Mr. Kwok currently also participates in community associations such as the co-founder of the Hong Kong Coalition, a member of the Chinese General Chamber of Commerce and a member of the Chinese People's Political Consultative Conference of Qingyuan City, Guangdong Province. He was also a member of the 6th Election Committee for Chief Executive of Hong Kong.

OTHER ARRANGEMENTS

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

- (i) save for (a) the Offeror and its concert parties' interest in 96,950,000 Shares and the Sale Shares; and (b) the Offeror's presumed concert parties' interest in 451,600,000 Shares, none of the Offeror, its ultimate beneficial owner and/or parties acting in concert with any of them owns, holds or has control or direction over any voting rights or rights over the Shares or convertible securities, warrants, options or derivatives of the Company, and there is no outstanding derivative in respect of the securities in the Company which is owned, controlled or directed by, or has been entered into by the Offeror, its ultimate beneficial owner and/or any person acting in concert with any of them;
- (ii) save for the Vendor's Irrevocable Undertaking and Mr. Zhan's Irrevocable Undertaking, the Offeror, its ultimate beneficial owner, and/or parties acting in concert with any of them have not received any irrevocable commitment to accept or reject the Offer;

- (iii) save for the SPA and the standby facility granted by Get Nice Securities, there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Shares and which might be material to the Offer;
- (iv) other than the consideration payable to the Vendor under the SPA of HK\$101,080,000, there is no other consideration, compensation or benefits in whatever form provided or to be provided by the Offeror, its ultimate beneficial owner or their respective concert parties to the Vendor, its ultimate beneficial owners or their respective concert parties in connection with the SPA;
- (v) save for the SPA, there is no agreement or arrangement to which the Offeror, its ultimate beneficial owner and/or parties acting in concert with any of them is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer;
- (vi) there is no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror, its ultimate beneficial owner and/or parties acting in concert with any of them has borrowed or lent;
- (vii) there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (a) the Offeror, its ultimate beneficial owner or their respective concert parties on one hand; and (b) any Shareholder on the other hand; and
- (viii) save for the SPA and the escrow arrangement for the consideration thereunder, there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (a) the Offeror, its ultimate beneficial owner or their respective concert parties on one hand; and (b) the Vendor, its ultimate beneficial owners or their respective concert parties on the other hand.

The Company confirms that, as at the date of this joint announcement, there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeover Code) between (i) the Company, its subsidiaries or associated companies on one hand; and (ii) any Shareholder on the other hand.

ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising all three independent non-executive Directors, namely Mr. Hau Wing Shing Vincent, Mr. Wan Simon and Mr. Zhang Jue, who have no direct or indirect interest in the Offer, has been established pursuant to Rule 2.1 of the Takeovers Code to make a recommendation to the Offer Shareholders as to whether the terms of the Offer are fair and reasonable and as to acceptance of the Offer.

APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

With the approval of the Independent Board Committee, Veda Capital Limited has been appointed as the Independent Financial Adviser pursuant to Rule 2.1 of the Takeovers Code to advise the Independent Board Committee in connection with the Offer and in particular as to whether the Offer is, or is not, fair and reasonable and as to acceptance of the Offer.

DISCLOSURE OF DEALINGS

Associates of the Offeror and the Company (as defined in the Takeovers Code, including shareholders holding 5% or more of any class of relevant securities (as defined 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 the relevant securities of the Company under Rule 22 of the Takeovers Code during the offer period (as defined under the Takeovers Code).

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 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.”

Dealing and interest in the Company’s securities

Save for the SPA, the Offeror, its ultimate beneficial owner and parties acting in concert with any of them had not dealt in any Shares or any options, warrants, derivatives or securities convertible into Shares or other derivatives in respect of securities in the Company during the six-month period immediately prior to and up to and including the date of this joint announcement.

DESPATCH OF THE COMPOSITE DOCUMENT

If the Offer materialises, it is the intention of the Offeror and the Company to combine the offer document and the offeree board circular into the Composite Document.

Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document, containing, among other things, (i) the terms and conditions of the Offer; (ii) the expected timetable of the Offer; (iii) a letter from Somerley to the Offer Shareholders; (iv) a letter of recommendation from the Independent Board Committee to the Offer Shareholders in respect of the Offer; and (v) a letter of advice from the Independent Financial Adviser to the Independent Board Committee in respect of the Offer, together with the forms of acceptance and transfer, is required to be despatched to the Shareholders within 21 days from the date of this joint announcement.

Further announcement(s) regarding the despatch of the Composite Document will be made by the Offeror and the Company as and when appropriate.

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 24 November 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 1 December 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. The Independent Board Committee has yet to consider and evaluate the Offer. This joint announcement is made in compliance with the Takeovers Code for the purpose of, among other things, informing Shareholders of the fact that the Company has been informed that the Offer will be made if Completion takes place.

The Directors strongly recommend the Offer Shareholders not to form a view on the Offer unless and until they have received and read the letter from the Independent Board Committee containing its recommendations to the Offer Shareholders in respect of the Offer and the letter from the Independent Financial Adviser containing its advice to the Independent Board Committee in respect of the Offer, which will be included in the Composite Document to be despatched to the Shareholders.

The Offer will only be made if Completion takes place and Completion is subject to the conditions precedent set out in the section headed “The SPA – Conditions precedent” in this joint announcement. Accordingly, the Offer may or may not be made. Further announcement will be made by the Offeror and the Company when Completion takes place or otherwise.

Shareholders and potential investors of the Company should exercise caution when dealing in the Shares, and if they are in any doubt about their position or as to the action they should take, they should consult their stockbroker, bank manager, solicitor or other professional advisers.

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 under the Takeovers Code
“associate(s)”	has the meaning ascribed to it under the Takeovers Code
“Board”	the board of Directors
“BVI”	British Virgin Islands
“Company”	Golden Ponder Holdings Limited (金侖控股有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1783)
“Completion”	completion of the SPA in accordance with the terms and conditions of the SPA
“Completion Date”	the date on which Completion takes place, being the fifth (5th) business day after the day on which all the conditions precedent are fulfilled (or waived in accordance with the SPA), or such other date as the Vendor and the Purchaser may mutually agree in writing
“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
“concert party(ies)”	parties acting in concert
“Director(s)”	director(s) of the Company
“Encumbrances”	means any option, right to acquire, right of pre-emption, title retention, deferred term or conditional sale, mortgage, charge, pledge, lien or other form of security or encumbrance or any other agreement or arrangement having a similar effect

“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Get Nice Capital”	Get Nice Capital Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity as defined under the SFO and is one of the joint financial advisers to the Offeror in respect of the Offer
“Get Nice Securities”	Get Nice Securities Limited, a corporation licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities as defined under the SFO, who granted a standby facility to the Offeror for its obligation to make a possible mandatory unconditional offer under the Takeovers Code
“Group”	the Company and its subsidiaries
“Guarantors”	Mr. Chan Kam Tong (陳金棠) and Mr. Chan Kam Ming (陳金明), who are executive Directors and controlling shareholders and directors of the Vendor, as guarantors of the Vendor under the SPA
“HK\$”	Hong Kong dollars, 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 Board, comprising all three independent non-executive Directors, namely Mr. Hau Wing Shing Vincent, Mr. Wan Simon and Mr. Zhang Jue, which has been established to advise the Offer Shareholders in respect of the Offer
“Independent Financial Adviser”	Veda Capital Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity as defined under the SFO, being the independent financial adviser appointed by the Company and approved by the Independent Board Committee to advise the Independent Board Committee in connection with the Offer
“Last Trading Day”	23 November 2022, being the last trading day of the Shares immediately prior to the halt in trading in the Shares on the Stock Exchange pending the release of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange

“Lock-up Period”	a lock-up of the Remaining Shares beginning from the date of the Vendor’s Irrevocable Undertaking and ending one year after the Completion Date
“Long Stop Date”	one month from the date of execution of the SPA (i.e. 23 December 2022) or such other date to be agreed between the Vendor and the Purchaser in writing
“Mr. Kwok”	Mr. Kwok Chun Sing (郭晋昇), an executive Director and the sole director and sole beneficial owner of the Offeror
“Mr. Zhan”	Mr. Zhan Zhi Hao (詹志豪), the deputy chief executive officer of Chun Yang, a subsidiary of the Company and is a party acting in concert with the Offeror
“Mr. Zhan’s Irrevocable Undertaking”	the irrevocable undertaking dated 30 November 2022 given by Mr. Zhan to the Offeror
“Offer”	the possible mandatory unconditional cash offer to be made by Somerley Capital Limited for and on behalf of the Offeror to acquire all Offer Shares (other than those already owned or agreed to be acquired by the Offeror and Mr. Kwok), on the terms and conditions to be set out in the Composite Document and in compliance with the Takeovers Code
“offer period”	has the meaning ascribed to it under the Takeovers Code
“Offer Price”	HK\$0.28 for each Offer Share, payable by the Offeror to the Offer Shareholders who tender their Offer Shares for acceptance under the Offer
“Offer Shareholders”	Shareholders other than the Offeror and Mr. Kwok
“Offer Shares”	all the Shares in issue, other than those owned or agreed to be acquired by the Offeror and Mr. Kwok and each an “Offer Share”
“Offeror” or “Purchaser”	Chun Yip International Investment Limited, a company incorporated in the BVI with limited liability on 2 April 2020 and wholly-owned by Mr. Kwok
“Overseas Shareholder(s)”	the Shareholder(s) whose address(es), as shown on the register of members of the Company, is/are outside Hong Kong
“PRC”	the People’s Republic of China (for the purpose of this joint announcement, excluding Hong Kong, the Macao Special Administrative Region and Taiwan)

“Remaining Shares”	47,000,000 Shares (representing approximately 4.90% of the total number of Shares in issue) held by the Vendor upon Completion, which are subject to a lock-up pursuant to the Vendor’s Irrevocable Undertaking during the Lock-up Period
“Sale Shares”	361,000,000 Shares in aggregate to be acquired by the Offeror from the Vendor in accordance with the terms of the SPA, representing approximately 37.62% of the total number of Shares in issue as at the date of this joint announcement
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of nominal value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Somerley”	Somerley Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO and is one of the joint financial advisers to the Offeror in respect of the Offer
“SPA”	the sale and purchase agreement dated 23 November 2022 entered into between the Offeror (as purchaser), the Vendor and the Guarantors in respect of the sale and purchase of the Sale Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Vendor”	Shiny Golden Limited, a limited company incorporated under the laws of the British Virgin Islands
“Vendor’s Irrevocable Undertaking”	the irrevocable undertaking dated 30 November 2022 given by the Vendor to the Offeror

“%”

per cent.

By order of the board of
Chun Yip International Investment Limited
Kwok Chun Sing
Director

By order of the board of directors of
Golden Ponder Holdings Limited
Chan Kam Tong
Chairman and executive Director

Hong Kong, 30 November 2022

As at the date of this joint announcement, the Board comprises four executive Directors, namely Mr. Chan Kam Tong (Chairman), Mr. Kwok Chun Sing (Vice-Chairman), Mr. Chan Kam Ming and Mr. Tang Chi Kin, and three independent non-executive Directors, namely Mr. Hau Wing Shing Vincent, Mr. Wan Simon and Mr. Zhang Jue.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the 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 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. Kwok Chun Sing.

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