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Golden Eagle Retail Investment Limited
*(Incorporated in the Cayman Islands
with limited liability)*

**GOLDEN EAGLE RETAIL GROUP
LIMITED**
金鷹商貿集團有限公司
*(Incorporated in the Cayman Islands
with limited liability)*
(Stock Code: 3308)

JOINT ANNOUNCEMENT

**(1) PROPOSED PRIVATISATION OF
GOLDEN EAGLE RETAIL GROUP LIMITED
BY THE OFFEROR
BY WAY OF A SCHEME OF ARRANGEMENT
UNDER SECTION 86 OF THE COMPANIES ACT;**

**(2) PROPOSED WITHDRAWAL OF LISTING OF
GOLDEN EAGLE RETAIL GROUP LIMITED;**

(3) ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE;

(4) APPOINTMENT OF THE INDEPENDENT FINANCIAL ADVISER;

AND

(5) RESUMPTION OF TRADING IN SHARES

**Financial Adviser to the Offeror
CMB International**



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



1. INTRODUCTION

The Offeror and the Company jointly announce that, on 25 May 2023, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the proposed privatisation of the Company by way of the Scheme.

2. TERMS OF THE PROPOSAL

If the Proposal is approved and implemented:

- (a) all of the Scheme Shares held by the Disinterested Scheme Shareholders will be cancelled and extinguished on the Effective Date in exchange for the Cash Cancellation Consideration payable in cash by the Offeror to the Disinterested Scheme Shareholders whose names appear on the Register on the Scheme Record Date;
- (b) the 1,151,268,000 Scheme Shares held by GEIRG (representing all the Shares held by GEIRG) will be cancelled and extinguished on the Effective Date in exchange for the GEIRG Cancellation Consideration, which will be satisfied by the Offeror crediting as fully paid 100 nil-paid Offeror Shares (representing 100% of the issued share capital of the Offeror) held by GEICO at the direction of GEIRG;
- (c) pursuant to paragraphs (a) to (b) above, the issued share capital of the Company will be reduced by cancelling and extinguishing the Scheme Shares, and upon such reduction, the issued share capital of the Company will be simultaneously increased to its former amount by the new issuance at par to the Offeror, credited as fully paid, of an aggregate number of Shares as is equal to the number of Scheme Shares cancelled and extinguished. The reserve created in the Company's books of account as a result of the cancellation and extinguishment of Scheme Shares will be applied to pay up in full at par the new Shares so issued, credited as fully paid, to the Offeror;
- (d) approximately 89.06% of the total number of Shares in issue will be held by the Offeror (as a result of the new issuance mentioned in paragraph (c) above), and approximately 0.95% and 9.99% of the total number of Shares in issue will continue to be held by the Founder Family Members and RVJD STAR Company respectively (as a result of the Rollover Arrangement); and
- (e) the Company will make an application to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange pursuant to Rule 6.15 of the Listing Rules, with effect immediately following the Effective Date.

Cancellation Price

Under the Scheme, the Cancellation Price of HK\$6.88 per Scheme Share will be payable by the Offeror to the Scheme Shareholders in the form of (a) the Cash Cancellation Consideration for the cancellation and extinguishment of the Scheme Shares held by the Disinterested Scheme Shareholders; and (b) the GEIRG Cancellation Consideration for the cancellation and extinguishment of the Scheme Shares held by GEIRG.

The Cancellation Price of HK\$6.88 per Scheme Share cancelled and extinguished represents:

- (a) a premium of approximately 40.41% over the last traded price of HK\$4.90 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a premium of approximately 63.42% over the closing price of HK\$4.21 per Share as quoted on the Stock Exchange on the Last Full Trading Day;
- (c) a premium of approximately 66.59% over the average closing price of approximately HK\$4.13 per Share based on the daily closing prices as quoted on the Stock Exchange for the 5 trading days up to and including on the Last Full Trading Day;
- (d) a premium of approximately 61.50% over the average closing price of approximately HK\$4.26 per Share based on the daily closing prices as quoted on the Stock Exchange for the 10 trading days up to and including on the Last Full Trading Day;
- (e) a premium of approximately 55.30% over the average closing price of approximately HK\$4.43 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including on the Last Full Trading Day;
- (f) a premium of approximately 49.89% over the average closing price of approximately HK\$4.59 per Share based on the daily closing prices as quoted on the Stock Exchange for the 60 trading days up to and including on the Last Full Trading Day;
- (g) a premium of approximately 54.61% over the average closing price of approximately HK\$4.45 per Share based on the daily closing prices as quoted on the Stock Exchange for the 90 trading days up to and including on the Last Full Trading Day;
- (h) a premium of approximately 45.15% over the average closing price of approximately HK\$4.74 per Share based on the daily closing prices as quoted on the Stock Exchange for the 180 trading days up to and including on the Last Full Trading Day; and
- (i) a premium of approximately 10.79% over the audited consolidated net asset value per Share attributable to the Shareholders of approximately HK\$6.21 per Share as at 31 December 2022 (based on the audited consolidated equity attributable to owners of the Company of approximately RMB9,281 million (equivalent to approximately HK\$10,305 million) as at 31 December 2022 and 1,660,205,000 Shares in issue as the date of this joint announcement).

The Cancellation Price has been determined on a commercial basis after taking into account, among other things, recent and historical traded prices of the Shares, the financial performance of the Company, the trading multiples of comparable companies listed on the Stock Exchange and the factors as set out in the section headed “Reasons for and benefits of the Proposal” in this joint announcement and with reference to other similar privatisation transactions relating to companies listed on the Stock Exchange in recent years.

The Offeror will not increase the Cancellation Price and does not reserve the right to do so. Shareholders and potential investors of the Company should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Cancellation Price.

3. SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this joint announcement:

- (a) the authorised share capital of the Company is HK\$500,000,000 divided into 5,000,000,000 Shares, of which 1,660,205,000 Shares are in issue. As at the date of this joint announcement, the Company has no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) other than 1,660,205,000 Shares in issue;
- (b) the Offeror does not hold any Shares and the Offeror Concert Parties hold 1,332,988,000 Shares in aggregate, representing approximately 80.29% of the total number of Shares in issue, among which GEIRG, Mr. Wang, Mrs. Wang, Ms. Janice Wang and RVJD STAR Company, respectively, directly hold 1,151,268,000 Shares, 4,000,000 Shares, 250,000 Shares, 11,590,000 Shares and 165,880,000 Shares, representing approximately 69.35%, 0.24%, 0.01%, 0.70% and 9.99% of the total number of Shares in issue, respectively. Save as disclosed, none of the Offeror and the Offeror Concert Parties owns or has control or direction over any voting rights and rights over the Shares; and
- (c) the Scheme Shares comprise 1,151,268,000 Shares held by GEIRG and 327,217,000 Shares held by the Disinterested Scheme Shareholders, and in aggregate represent approximately 89.06% of the total number of Shares in issue. The Shares held by Founder Family Members and RVJD STAR Company will not form part of the Scheme Shares and will not be cancelled and extinguished on the Effective Date pursuant to the Rollover Arrangement.

4. FINANCIAL RESOURCES

On the basis of the Cancellation Price of HK\$6.88 per Scheme Share and there being 1,660,205,000 Shares in issue as at the date of this joint announcement, the entire issued share capital of the Company is valued at HK\$11,422,210,400.

Pursuant to the Share Swap Undertaking, GEIRG has undertaken and agreed to the cancellation and extinguishment of its 1,151,268,000 Shares under the Scheme in exchange for the GEIRG Cancellation Consideration in the amount of HK\$7,920,723,840, being the Cancellation Price multiplied by 1,151,268,000, which will be satisfied by the Offeror crediting as fully paid 100 nil-paid Offeror Shares (representing 100% of the issued share capital of the Offeror) held by GEICO at the direction of GEIRG. In accordance with the Rollover Arrangement, the aggregate of 181,720,000 Shares held by the Founder Family Members and RVJD STAR Company will not form part of the Scheme Shares and will not be cancelled and extinguished on the Effective Date.

As a result, based on the 327,217,000 Scheme Shares held by the Disinterested Scheme Shareholders as at the date of this joint announcement, representing approximately 19.71% of the total Shares in issue, the cash consideration payable under the Proposal is HK\$2,251,252,960.

The Offeror intends to finance the entire cash amount required for the Proposal by a facility provided by China Merchants Bank Co., Ltd..

CMB International, as the financial adviser to the Offeror in connection with the Proposal, is satisfied that sufficient financial resources are available to the Offeror for discharging its obligations in respect of the full implementation of the Proposal in accordance with its terms.

5. IRREVOCABLE UNDERTAKING

As at the date of this joint announcement, the Offeror has received the Irrevocable Undertaking from the Undertaking Shareholder, which, save as a Shareholder, (i) has no relationship with the Offeror and the Offeror Concert Parties; and (ii) is independent of and not acting in concert with the Offeror and the Offeror Concert Parties, pursuant to which the Undertaking Shareholder has unconditionally and irrevocably undertaken to, among other things, exercise, or procure the exercise, of all voting rights attached to the Undertaking Scheme Shares owned by the Undertaking Shareholder to vote in favour of all resolutions required to approve and give effect to the Proposal and the Scheme (including any resolution that may impact the fulfilment of any Condition). The Undertaking Scheme Shares held by the Undertaking Shareholder represent approximately 7.18% of the Shares in issue as at the date of this joint announcement.

6. WITHDRAWAL OF LISTING

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and extinguished and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title.

The Company will make an application to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange in accordance with Rule 6.15 of the Listing Rules, with effect immediately following the Effective Date.

Subject to the requirements of the Takeovers Code, the Proposal will lapse if any of the Conditions has not been fulfilled or waived, as applicable, on or before the Long Stop Date. If the Scheme is not approved or the Proposal otherwise lapses, the listing of the Shares on the Stock Exchange will not be withdrawn.

7. SCHEME DOCUMENT

Pursuant to Rule 8.2 of the Takeovers Code, unless the Executive's consent is obtained, the Scheme Document, including, amongst other things, further details of the Proposal and the Scheme, an explanatory memorandum as required under the rules of the Grand Court, the expected timetable relating to the Proposal, the recommendations of the Independent Board Committee, the letter of advice from the Independent Financial Adviser and notices to convene the Court Meeting and the EGM, together with forms of proxy in relation thereto, as well as other particulars required by the Takeovers Code, should be despatched to the Scheme Shareholders within 21 days of the date of this joint announcement (i.e. on or before 19 June 2023), and in compliance with the requirements of the Takeovers Code, the rules and orders of the Grand Court and any other applicable laws and regulations.

As additional time is required to procure the holding of the Directions Hearing and to finalise the financial information to be included in the Scheme Document, an application will be made to the Executive pursuant to Rule 8.2 of the Takeovers Code for its consent to extend the deadline for the despatch of the Scheme Document. Further announcement(s) will be made by the Company and the Offeror in respect of the application for the consent and the expected date of despatch of the Scheme Document.

The Scheme Document will contain important information and the Scheme Shareholders are urged to read the Scheme Document carefully before casting any vote at (or providing any proxy in respect of) the Court Meeting and the EGM.

8. RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted from 2:55 p.m. on 22 May 2023, pending the issue 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 29 May 2023.

WARNINGS

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

This joint announcement is not intended to and does not constitute, or form part of, any offer to sell or subscribe for or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Proposal or otherwise, nor shall there be any sale, issuance or transfer of securities of the Company in any jurisdiction in contravention of applicable law. The Proposal will be made solely through the Scheme Document, which will contain the full terms and conditions of the Proposal, including details of how to vote on the Proposal. Any approval or other response to the Proposal should be made only on the basis of information in the Scheme Document.

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

INTRODUCTION

The Offeror and the Company jointly announce that, on 25 May 2023, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the proposed privatisation of the Company by way of the Scheme.

TERMS OF THE PROPOSAL

The Proposal

If the Proposal is approved and implemented:

- (a) all of the Scheme Shares held by the Disinterested Scheme Shareholders will be cancelled and extinguished on the Effective Date in exchange for the Cash Cancellation Consideration payable in cash by the Offeror to the Disinterested Scheme Shareholders whose names appear on the Register on the Scheme Record Date;
- (b) the 1,151,268,000 Scheme Shares held by GEIRG (representing all the Shares held by GEIRG) will be cancelled and extinguished on the Effective Date in exchange for the GEIRG Cancellation Consideration, which will be satisfied by the Offeror crediting as fully paid 100 nil-paid Offeror Shares (representing 100% of the issued share capital of the Offeror) held by GEICO at the direction of GEIRG;
- (c) pursuant to paragraphs (a) to (b) above, the issued share capital of the Company will be reduced by cancelling and extinguishing the Scheme Shares, and upon such reduction, the issued share capital of the Company will be simultaneously increased to its former amount by the new issuance at par to the Offeror, credited as fully paid, of an aggregate number of Shares as is equal to the number of Scheme Shares cancelled and extinguished. The reserve created in the Company's books of account as a result of the cancellation and extinguishment of Scheme Shares will be applied to pay up in full at par the new Shares so issued, credited as fully paid, to the Offeror;
- (d) approximately 89.06% of the total number of Shares in issue will be held by the Offeror (as a result of the new issuance mentioned in paragraph (c) above), and approximately 0.95% and 9.99% of the total number of Shares in issue will continue to be held by the Founder Family Members and RVJD STAR Company respectively (as a result of the Rollover Arrangement); and
- (e) the Company will make an application to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange pursuant to Rule 6.15 of the Listing Rules, with effect immediately following the Effective Date.

Cancellation Price

Under the Scheme, the Cancellation Price of HK\$6.88 per Scheme Share will be payable by the Offeror to the Scheme Shareholders in the form of:

- (a) the Cash Cancellation Consideration for the cancellation and extinguishment of the Scheme Shares held by the Disinterested Scheme Shareholders; and
- (b) the GEIRG Cancellation Consideration for the cancellation and extinguishment of the Scheme Shares held by GEIRG.

The Cancellation Price of HK\$6.88 per Scheme Share cancelled and extinguished represents:

- (a) a premium of approximately 40.41% over the last traded price of HK\$4.90 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a premium of approximately 63.42% over the closing price of HK\$4.21 per Share as quoted on the Stock Exchange on the Last Full Trading Day;
- (c) a premium of approximately 66.59% over the average closing price of approximately HK\$4.13 per Share based on the daily closing prices as quoted on the Stock Exchange for the 5 trading days up to and including on the Last Full Trading Day;
- (d) a premium of approximately 61.50% over the average closing price of approximately HK\$4.26 per Share based on the daily closing prices as quoted on the Stock Exchange for the 10 trading days up to and including on the Last Full Trading Day;
- (e) a premium of approximately 55.30% over the average closing price of approximately HK\$4.43 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including on the Last Full Trading Day;
- (f) a premium of approximately 49.89% over the average closing price of approximately HK\$4.59 per Share based on the daily closing prices as quoted on the Stock Exchange for the 60 trading days up to and including on the Last Full Trading Day;
- (g) a premium of approximately 54.61% over the average closing price of approximately HK\$4.45 per Share based on the daily closing prices as quoted on the Stock Exchange for the 90 trading days up to and including on the Last Full Trading Day;
- (h) a premium of approximately 45.15% over the average closing price of approximately HK\$4.74 per Share based on the daily closing prices as quoted on the Stock Exchange for the 180 trading days up to and including on the Last Full Trading Day; and
- (i) a premium of approximately 10.79% over the audited consolidated net asset value per Share attributable to the Shareholders of approximately HK\$6.21 per Share as at 31 December 2022 (based on the audited consolidated equity attributable to owners of the Company of approximately RMB9,281 million (equivalent to approximately HK\$10,305 million) as at 31 December 2022 and 1,660,205,000 Shares in issue as the date of this joint announcement).

Basis for determining the Cancellation Price

The Cancellation Price has been determined on a commercial basis after taking into account, among other things, recent and historical traded prices of the Shares, the financial performance of the Company, the trading multiples of comparable companies listed on the Stock Exchange and the factors as set out in the section headed “Reasons for and benefits of the Proposal” in this joint announcement and with reference to other similar privatisation transactions relating to companies listed on the Stock Exchange in recent years.

The Offeror will not increase the Cancellation Price and does not reserve the right to do so. Shareholders and potential investors of the Company should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Cancellation Price.

Highest and lowest prices

During the six-month period ended on and including the Last Full Trading Day, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$5.65 on 6 December 2022, 7 December 2022, 8 December 2022, and 9 December 2022, and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$4.02 on 16 May 2023.

Dividend payment by the Company

If, after the date of this joint announcement, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Shares, the Offeror reserves the right to reduce the Cancellation Price by all or any part of the net amount or value of such dividend, distribution and/or, as the case may be, return of capital after consultation with the Executive, in which case any reference in this joint announcement, the Scheme Document or any other announcement or document to the Cancellation Price will be deemed to be a reference to the Cancellation Price as so reduced.

The Company has confirmed that it does not intend to announce, declare or pay any dividend, distribution or other return of capital during the offer period in relation to the Proposal. As at the date of this joint announcement, there is no outstanding dividend in respect of the Shares that has been announced but not yet paid.

Conditions of the Proposal and the Scheme

The Proposal and the Scheme will only become effective and binding on the Company and all the Scheme Shareholders if the following Conditions are fulfilled, waived or remain satisfied (as applicable):

- (a) the approval of the Scheme (by way of poll) at the Court Meeting by the Scheme Shareholders representing not less than 75% in value of the Scheme Shares held by the Scheme Shareholders present and voting either in person or by proxy at the Court Meeting with any Scheme Shareholder being parties acting in concert with the Offeror (including GEIRG) abstaining from voting;
- (b) (i) the Scheme is approved (by way of poll) by at least 75% of the votes attaching to the Scheme Shares held by the Disinterested Scheme Shareholders that are cast either in person or by proxy at the Court Meeting; and

- (ii) the number of votes cast (by way of poll) against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all the Scheme Shares held by the Disinterested Scheme Shareholders;
- (c)
 - (i) the passing of a special resolution by a majority of not less than three-fourths of the votes cast by the Shareholders present and voting in person or by proxy at the EGM to approve and give effect to the reduction of the issued share capital of the Company by the cancellation and extinguishment of the Scheme Shares; and
 - (ii) the passing of an ordinary resolution by a simple majority of the votes cast by the Shareholders present and voting in person or by proxy at the EGM to approve and give effect to, simultaneously upon the reduction of issued share capital, the increase of issued Shares in the share capital of the Company to the amount prior to the cancellation and extinguishment of the Scheme Shares by the allotment and new issuance at par to the Offeror of the aggregate number of new Shares, credited as fully paid, as is equal to the number of Scheme Shares cancelled and extinguished and the application of the reserve created in the Company's books of account as a result of the capital reduction to pay up in full at par such number of the new Shares so allotted and issued to the Offeror;
- (d) the sanction of the Scheme (with or without modifications) by the Grand Court and, to the extent necessary, its confirmation of the reduction of the issued share capital of the Company involved in the Scheme, and the delivery to the Registrar of Companies of a copy of the order of the Grand Court for registration;
- (e) to the extent necessary, compliance with the procedural requirements and conditions under Sections 15 and 16 of the Companies Act in relation to any reduction of the issued share capital of the Company associated with the cancellation and extinguishment of the Scheme Shares;
- (f) all Authorisations (if any) having been obtained or made from, with or by (as the case may be) the Relevant Authorities in the Cayman Islands, Hong Kong, and any other relevant jurisdictions; and, if applicable, any waiting periods having expired or terminated;
- (g) all Authorisations (if any) remaining in full force and effect without variation, and all necessary statutory or regulatory obligations in all relevant jurisdictions having been complied with and no legal or regulatory requirement having been imposed by any Relevant Authorities which is not expressly provided for, or is in addition to requirements expressly provided for, in relevant laws, rules, regulations or codes in connection with the Proposal or any matters, documents (including circulars) or things relating thereto, which are material in the context of the Group (taken as a whole), in each aforesaid case up to the Effective Date;
- (h) no government, governmental, quasi-governmental, statutory or regulatory body, court or agency in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry (enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order), in each case, which would make the Proposal or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to the Proposal or its implementation in accordance with its terms), other than such actions, proceedings, suits, investigations or enquiries as would not have a material adverse effect on the legal ability of the Offeror to proceed with the Proposal;

- (i) since the date of this joint announcement, there having been no adverse change in the business, assets, financial or trading positions, profits or prospects of any member of the Group (to an extent which is material in the context of the Group taken as a whole or in the context of the Proposal); and
- (j) all necessary consents in connection with the Proposal and the withdrawal of listing of the Shares on the Stock Exchange which may be required under any existing contractual obligations of any member of the Group being obtained or waived by the relevant party(ies) and remaining in effect (if applicable).

The Conditions in paragraphs (a) to (d) cannot be waived. The Offeror reserves the right to waive all or any of the Conditions in paragraphs (e) to (j), to the extent permissible by relevant laws and regulations, the Listing Rules and the Takeovers Code, either in whole or in respect of any particular matter. The Company does not have the right to waive any of the Conditions. Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Proposal if the circumstances which give rise to a right to invoke any such Condition are of material significance to the Offeror in the context of the Proposal.

All of the Conditions will have to be fulfilled, waived or remain satisfied, as applicable, on or before the Long Stop Date, failing which the Proposal and the Scheme will lapse. If the Scheme is withdrawn, not approved or lapsed, the listing of the Shares on the Stock Exchange will not be withdrawn. If the Conditions are satisfied or waived (as applicable), the Scheme will be binding on all of the Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the EGM.

As at the date of this joint announcement, none of the Conditions set out in paragraphs (a) to (j) have been fulfilled or waived (as the case may be).

As at the date of this joint announcement, with respect to the Condition in:

- (a) paragraphs (f) and (g), each of the Offeror and the Company is not aware of any requirement for such Authorisations other than those set out in the Conditions in paragraphs (a) to (d);
- (b) paragraph (h), each of the Offeror and the Company is not aware of any such action, proceeding, suit, investigation, enquiry, statute, regulation, demand or order; and
- (c) paragraph (j), each of the Offeror and the Company is not aware of any such consents other than those from certain facility agreement entered into by the Group.

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

THE SHARE SWAP UNDERTAKING

On 28 May 2023, GEIRG entered into the Share Swap Undertaking in favour of the Offeror. Pursuant to the Share Swap Undertaking, GEIRG has undertaken and agreed to the cancellation and extinguishment of the 1,151,268,000 Scheme Shares held by it, representing all the Shares held by it in the Company and representing approximately 69.35% of the total issued Shares, in exchange for the GEIRG Cancellation Consideration in the amount of HK\$7,920,723,840, being the Cancellation Price multiplied by 1,151,268,000, which will be satisfied by the Offeror crediting as fully paid 100 nil-paid Offeror Shares (representing 100% of the issued share capital of the Offeror) held by GEICO at the direction of GEIRG.

As at the date of this joint announcement, 100 nil-paid Offeror Shares, representing 100% of the issued share capital of the Offeror, have been issued to GEICO. In accordance with the terms of the Share Swap Undertaking, such Offeror Shares will be credited as fully paid upon the Scheme becoming effective in satisfaction of the GEIRG Cancellation Consideration.

The Share Swap Undertaking will be terminated if the Proposal lapses or is withdrawn in accordance with its terms.

ROLLOVER ARRANGEMENT

As at the date of this joint announcement, Mr. Wang, Mrs. Wang, Ms. Janice Wang and RVJD STAR Company, respectively, directly holds 4,000,000 Shares, 250,000 Shares, 11,590,000 Shares and 165,880,000 Shares, representing approximately 0.24%, 0.01%, 0.70% and 9.99% of the Shares in issue.

Mrs. Wang is the spouse of Mr. Wang. Ms. Janice Wang is a daughter of Mr. Wang and Mrs. Wang.

As at the date of this joint announcement, RVJD STAR Company is a wholly-owned subsidiary of RVJD Holding Limited, which is wholly-owned by the RVJD STAR Trust, a discretionary trust founded by Mr. Wang and Mrs. Wang. The discretionary objects of the RVJD STAR Trust are the nominated children of Mr. Wang and Mrs. Wang and the remoter issue of the marriage of the nominated children whether or not now living and the trustee of the RVJD STAR Trust is Cititrust Private Trust (Cayman) Limited.

The Offeror intends to allow the Founder Family Members and RVJD STAR Company to retain their respective shareholdings in the Company after the Scheme becoming effective pursuant to the Rollover Arrangement.

On 28 May 2023, the Offeror, the Founder Family Members and RVJD STAR Company entered into the Rollover Agreement, pursuant to which:

- (a) each of the Founder Family Members and RVJD STAR Company will remain as a Shareholder after the Scheme becomes effective;
- (b) none of the Shares held by each of the Founder Family Members and RVJD STAR Company will constitute Scheme Shares, nor will they be voted on the Scheme at the Court Meeting;
- (c) the Shares held by each of the Founder Family Members and RVJD STAR Company will not be cancelled and extinguished when the Scheme becomes effective;

- (d) each of the Founder Family Members and RVJD STAR Company has undertaken, to the extent permitted under the Takeovers Code, the Listing Rules and applicable laws and regulations, to exercise, or, as the case may be, to procure the exercise of the voting rights in respect of the Shares owned by him/her/it directly on resolutions in relation to the implementation of the Scheme in accordance with the Offeror's directions, and in the absence of any such directions, to vote in favour of all resolutions which are necessary to implement the Scheme proposed at a general meeting of the Company, and that it shall be bound by, and take all actions necessary to implement the Scheme; and
- (e) each of the Founder Family Members and RVJD STAR Company has further undertaken that he/she/it will not:
 - (i) directly or indirectly, sell, transfer, charge, encumber, grant any option over or otherwise dispose of any interest in any of the Shares held by it;
 - (ii) accept any other offer in respect of the Shares;
 - (ii) acquire, subscribe for or otherwise deal in the securities of the Company without prior consent of the Offeror.

The Rollover Agreement will be terminated if the Proposal lapses or is withdrawn in accordance with its terms.

The Founder Family Members are close family members and RVJD STAR Company is a related trust founded by Mr. Wang and Mrs. Wang, and therefore the Rollover Arrangement is not considered to be a special deal under Rule 25 of the Takeovers Code.

IRREVOCABLE UNDERTAKING

As at the date of this joint announcement, the Offeror has received the Irrevocable Undertaking from the Undertaking Shareholder, which, save as a Shareholder, (i) has no relationship with the Offeror and the Offeror Concert Parties; and (ii) is independent of and not acting in concert with the Offeror and the Offeror Concert Parties, pursuant to which the Undertaking Shareholder has unconditionally and irrevocably undertaken to, among other things, exercise, or procure the exercise, of all voting rights attached to the Undertaking Scheme Shares owned by the Undertaking Shareholder to vote in favour of all resolutions required to approve and give effect to the Proposal and the Scheme (including any resolution that may impact the fulfilment of any Condition). The Undertaking Scheme Shares held by the Undertaking Shareholder represent approximately 7.18% of the Shares in issue as at the date of this joint announcement.

Furthermore, the Undertaking Shareholder has undertaken, among other things, not to (i) dispose of the Shares held by it and (ii) enter into any arrangement which would restrict or impede the Conditions from being fulfilled or the Scheme from becoming effective.

The Irrevocable Undertaking will be terminated if the Proposal lapses or is withdrawn in accordance with its terms.

SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this joint announcement:

- (a) the authorised share capital of the Company is HK\$500,000,000 divided into 5,000,000,000 Shares, of which 1,660,205,000 Shares are in issue. As at the date of this joint announcement, the Company has no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) other than 1,660,205,000 Shares in issue;
- (b) there are no other outstanding options, warrants, derivatives, convertible securities or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company that carry a right to subscribe for or which are convertible into the Shares;
- (c) the Offeror does not hold any Shares and the Offeror Concert Parties hold 1,332,988,000 Shares in aggregate, representing approximately 80.29% of the total number of Shares in issue, among which GEIRG, Mr. Wang, Mrs. Wang, Ms. Janice Wang and RVJD STAR Company, respectively, directly hold 1,151,268,000 Shares, 4,000,000 Shares, 250,000 Shares, 11,590,000 Shares and 165,880,000 Shares, representing approximately 69.35%, 0.24%, 0.01%, 0.70% and 9.99% of the total number of Shares in issue, respectively. Save as disclosed, none of the Offeror and the Offeror Concert Parties owns or has control or direction over any voting rights and rights over the Shares;
- (d) the Scheme Shares comprise 1,151,268,000 Shares held by GEIRG and 327,217,000 Shares held by the Disinterested Scheme Shareholders, and in aggregate represent approximately 89.06% of the total number of Shares in issue;
- (e) none of the Offeror or the Offeror Concert Parties owns or has control or direction over the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company;
- (f) there are no convertible securities, warrants or options in respect of the Shares held, controlled or directed by the Offeror or Offeror Concert Parties;
- (g) there were no dealings by the Offeror or the Offeror Concert Parties in the Shares during the six-month period prior to and including the date of this joint announcement;
- (h) there is no outstanding derivative in respect of the securities in the Company entered into by the Offeror or any of the Offeror Concert Parties;
- (i) there are no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror or any of the Offeror Concert Parties has borrowed or lent; and
- (j) save for Mr. Wang, none of the Directors had any interest or short position in any Shares, underlying shares or debentures of the Company or any of its associated corporations.

The table below sets out the shareholding structure of the Company as at the date of this joint announcement and immediately upon completion of the Proposal, assuming that there is no other change in the shareholding of the Company before the Effective Date:

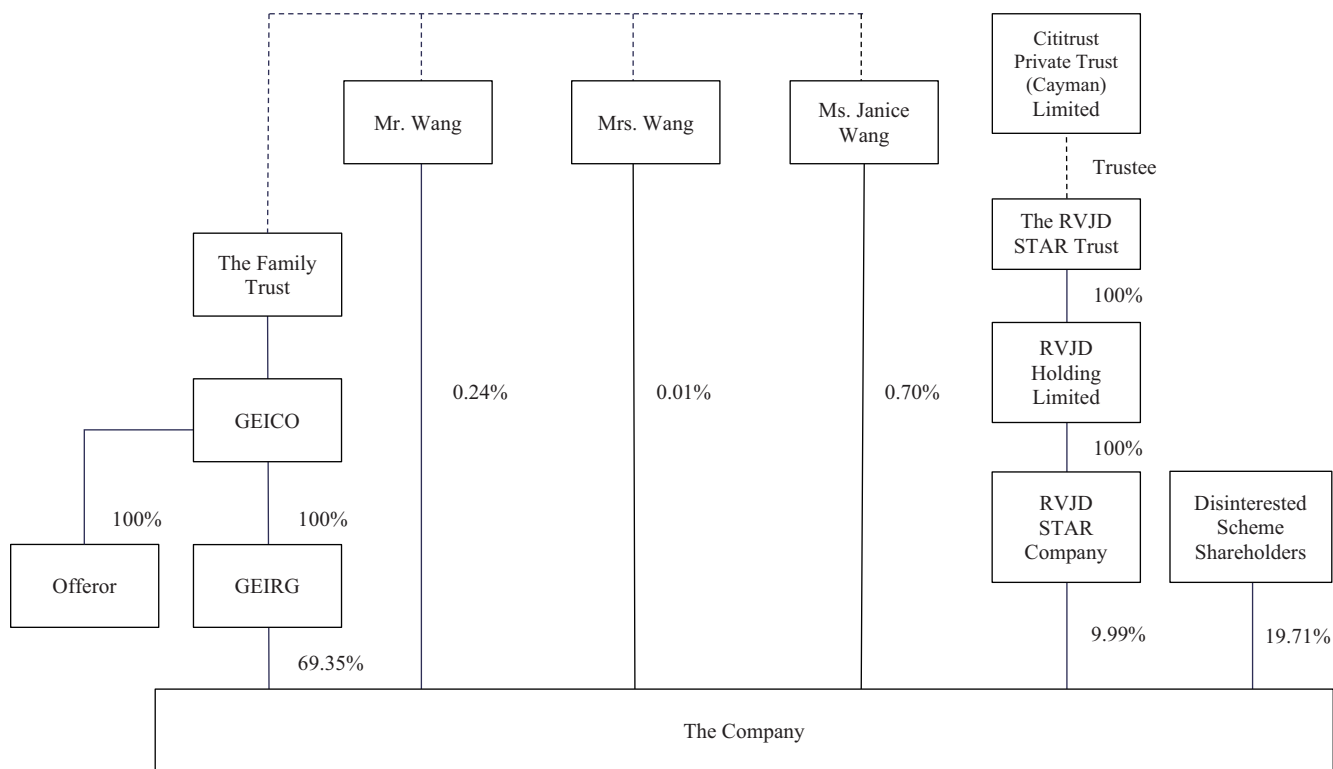
Shareholders	As at the date of this joint announcement		Immediately upon completion of the Proposal	
	No. of Shares	% of total issued Shares (Note 5)	No. of Shares	% of total issued Shares (Note 5)
Offeror (Note 1)	–	–	1,478,485,000	89.06
Offeror Concert Parties				
<i>Shares held not subject to the Scheme</i>				
Founder Family Members				
– Mr. Wang (Note 2)	4,000,000	0.24	4,000,000	0.24
– Mrs. Wang (Note 2)	250,000	0.01	250,000	0.01
– Ms. Janice Wang (Note 3)	11,590,000	0.70	11,590,000	0.70
Sub-total	15,840,000	0.95	15,840,000	0.95
RVJD STAR Company (Note 4)	165,880,000	9.99	165,880,000	9.99
Sub-total	181,720,000	10.94	181,720,000	10.94
<i>Shares held subject to the Scheme</i>				
GEIRG (Note 1)	1,151,268,000	69.35	–	–
Sub-total: Offeror and the Offeror Concert Parties	1,332,988,000	80.29	1,660,205,000	100.00
Undertaking Shareholder	119,232,588	7.18	–	–
Other Disinterested Scheme Shareholders	207,984,412	12.53	–	–
Sub-total	327,217,000	19.71	–	–
Total	1,660,205,000	100.00	1,660,205,000	100.00

Notes:

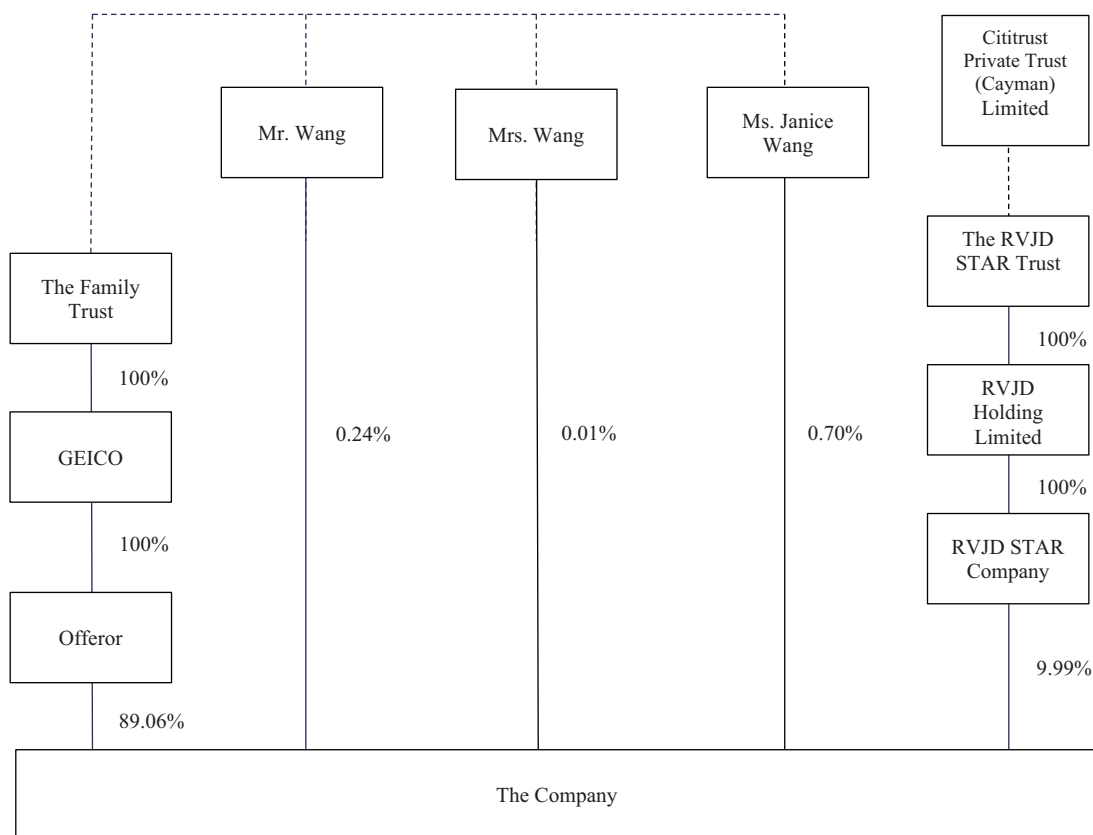
- As at the date of this joint announcement, each of the Offeror and GEIRG is a wholly-owned subsidiary of GEICO, which is in turn wholly-owned by the Family Trust. As such, GEICO and the Family Trust are deemed to be interested in the 1,151,268,000 Shares held by GEIRG, which will form part of the Scheme Shares and will be cancelled and extinguished upon the Scheme becoming binding and effective in accordance with its terms.

2. Mr. Wang is the Chairman of the Board and an executive Director. As at the date of the joint announcement, Mr. Wang is interested in 1,155,518,000 Shares, which comprise (i) 1,151,268,000 Shares beneficially held by the Family Trust; (ii) 4,000,000 Shares held by Mr. Wang as the beneficial owner; and (iii) 250,000 Shares beneficially held by Mrs. Wang, the spouse of Mr. Wang. By virtue of the SFO, Mr. Wang is deemed to be interested in all the Shares held by the Family Trust and Mrs. Wang, and Mrs. Wang is deemed to be interested in all the Shares held by Mr. Wang. The 4,250,000 Shares pursuant to (ii) and (iii) will not form part of the Scheme Shares pursuant to the Rollover Arrangement.
3. Ms. Janice Wang is a daughter of Mr. Wang and Mrs. Wang. As at the date of the joint announcement, Ms. Janice Wang is interested in 1,162,858,000 Shares, which comprise (i) 1,151,268,000 Shares beneficially held by the Family Trust, to which Ms. Janice Wang is one of the beneficiaries; and (ii) 11,590,000 Shares held by Ms. Janice Wang as the beneficial owner. The 11,590,000 Shares pursuant to (ii) will not form part of the Scheme Shares pursuant to the Rollover Arrangement.
4. As at the date of this joint announcement, these Shares are held by RVJD STAR Company, a wholly-owned subsidiary of RVJD Holding Limited which is in turn wholly-owned by the RVJD STAR Trust, a discretionary trust founded by Mr. Wang and Mrs. Wang with Cititrust Private Trust (Cayman) Limited as the trustee. The discretionary objects of the RVJD STAR Trust are the nominated children of Mr. Wang and Mrs. Wang and the remoter issue of the marriage of the nominated children whether or not now living. These Shares will not form part of the Scheme Shares pursuant to the Rollover Arrangement.
5. Certain percentage figures included in the above table are subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

The chart below sets out the illustrative shareholding structure of the Company as at the date of this joint announcement:



The chart below sets out the illustrative shareholding structure of the Company upon completion of the Proposal and the Scheme:



TOTAL CONSIDERATION AND CONFIRMATION OF FINANCIAL RESOURCES

On the basis of the Cancellation Price of HK\$6.88 per Scheme Share and there being 1,660,205,000 Shares in issue as at the date of this joint announcement, the entire issued share capital of the Company is valued at HK\$11,422,210,400.

Pursuant to the Share Swap Undertaking, GEIRG has undertaken and agreed to the cancellation and extinguishment of its 1,151,268,000 Shares under the Scheme in exchange for the GEIRG Cancellation Consideration in the amount of HK\$7,920,723,840, being the Cancellation Price multiplied by 1,151,268,000, which will be satisfied by the Offeror crediting as fully paid 100 nil-paid Offeror Shares (representing 100% of the issued share capital of the Offeror) held by GEICO at the direction of GEIRG. In accordance with the Rollover Arrangement, the aggregate of 181,720,000 Shares held by the Founder Family Members and RVJD STAR Company will not form part of the Scheme Shares and will not be cancelled and extinguished on the Effective Date.

As a result, based on the 327,217,000 Scheme Shares held by the Disinterested Scheme Shareholders as at the date of this joint announcement, representing approximately 19.71% of the total Shares in issue, the cash consideration payable under the Proposal is HK\$2,251,252,960.

The Offeror intends to finance the entire cash amount required for the Proposal by a facility provided by China Merchants Bank Co., Ltd..

CMB International, as the financial adviser to the Offeror in connection with the Proposal, is satisfied that sufficient financial resources are available to the Offeror for discharging its obligations in respect of the full implementation of the Proposal in accordance with its terms.

INFORMATION ON THE GROUP

The Company was incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange. The principal activities of the Group are lifestyle centre and stylish department store chain development and operation, property development and hotel operation in the PRC.

Based on the published audited consolidated financial statements of the Company, below is the financial information of the Group for the two financial years ended 31 December 2022 as follows:

	For the year ended 31 December			
	2022		2021	
	<i>RMB'000</i>	<i>Equivalent to approximately HK\$'000</i>	<i>RMB'000</i>	<i>Equivalent to approximately HK\$'000</i>
Gross sales proceeds	14,951,146	16,601,317	17,187,997	19,085,051
Revenue	5,331,582	5,920,033	5,717,498	6,348,543
Profit before taxation	1,366,673	1,517,514	2,249,971	2,498,302
Profit for the year	762,856	847,053	1,612,274	1,790,222
Total comprehensive income attributable to owners of the Company	732,438	813,278	1,619,592	1,798,348

	As at 31 December			
	2022		2021	
	<i>RMB'000</i>	<i>Equivalent to approximately HK\$'000</i>	<i>RMB'000</i>	<i>Equivalent to approximately HK\$'000</i>
Non-current assets	13,480,178	14,967,997	13,916,190	15,452,132
Current assets	12,171,840	13,515,256	11,045,987	12,265,142
Current liabilities	10,749,253	11,935,657	8,686,940	9,645,725
Non-current liabilities	5,519,379	6,128,558	7,638,689	8,481,778
Net assets attributable to owners of the Company	9,280,597	10,304,905	8,548,159	9,491,627

INFORMATION ON THE OFFEROR AND THE OFFEROR CONCERT PARTIES

The Offeror

The Offeror is a company incorporated in the Cayman Islands with limited liability and is an investment holding company. As at the date of this joint announcement, the Offeror is wholly-owned by GEICO.

GEICO

GEICO is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. As at the date of this joint announcement, GEICO is wholly-owned by the Family Trust.

As at the date of this joint announcement, GEICO, through GEIRG, indirectly holds approximately 69.35% of the entire issued share capital of the Company and is accordingly the controlling shareholder of the Company.

The Family Trust

The Family Trust is a trust founded by Mr. Wang and Mrs. Wang and established under the laws of California, the U.S.. Mr. Wang, Mrs. Wang and their two daughters including Ms. Janice Wang are beneficiaries of the Family Trust.

The Founder Family Members

The Founder Family Members comprise Mr. Wang, the Chairman of the Board and an executive Director, Mrs. Wang, the spouse of Mr. Wang, and Ms. Janice Wang, a daughter of Mr. Wang and Mrs. Wang.

RVJD STAR Company

RVJD STAR Company is a company incorporated in the Cayman Islands with limited liability and is principally engaged in investment holding. As at the date of this joint announcement, RVJD STAR Company is wholly-owned by RVJD Holding Limited, which is in turn wholly-owned by the RVJD STAR Trust.

The RVJD STAR Trust is a discretionary trust founded by Mr. Wang and Mrs. Wang and established under the laws of the Cayman Islands. Cititrust Private Trust (Cayman) Limited is the trustee of the RVJD STAR Trust and the discretionary objects of the RVJD STAR Trust are the nominated children of Mr. Wang and Mrs. Wang and the remoter issue of the marriage of the nominated children whether or not now living.

INTENTION OF THE OFFEROR WITH REGARD TO THE GROUP

Following the implementation of the Proposal, the Offeror intends the Group to maintain its existing business upon the successful privatisation of the Company. The Offeror has no intention to have the Shares listed in other markets and to make major changes to the business of the Group and the employment of the employees of the Group, save for those changes which the Offeror may from time to time implement following the review of its strategy relating to the business, structure and/or direction of the Group.

FINANCIAL ADVISER TO THE OFFEROR, INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Offeror has appointed CMB International as its financial adviser in connection with the Proposal and the Scheme.

The Independent Board Committee, which comprises all the independent non-executive Directors, namely Mr. Wong Chi Keung, Mr. Lay Danny J and Mr. Lo Ching Yan, has been established by the Board to make recommendation to the Disinterested Scheme Shareholders in relation to the Proposal and the Scheme and Opus Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Disinterested Scheme Shareholders in relation to the Proposal and the Scheme. The appointment of the Independent Financial Adviser has been approved by the Independent Board Committee. The recommendation of the Independent Board Committee and the advice from the Independent Financial Adviser as to whether the terms of the Proposal and the Scheme are fair and reasonable, and as to voting by the Disinterested Scheme Shareholders at the Court Meeting and as to voting by the Shareholders at the EGM, will be set out in the Scheme Document.

REASONS FOR AND BENEFITS OF THE PROPOSAL

For the Scheme Shareholders

Cancellation Price represents an attractive exit premium

The Cancellation Price represents a significant premium ranging from approximately 40.41% to approximately 66.59% over the average closing price per Share for the period as set out in the paragraph headed “Cancellation Price” under the section headed “Terms of the Proposal” in this joint announcement. The Cancellation Price also represents a premium of approximately 10.79% over the audited consolidated net asset value attributable to Shareholders per Share of approximately HK\$6.21 as at 31 December 2022.

In light of the challenging market environment and execution, market and financial risks in implementing a long-term strategy for business growth, the Offeror considers that the Proposal provides an attractive opportunity for the Disinterested Scheme Shareholders to dispose of their Scheme Shares at an attractive premium to the prevailing market price and to lower the risk of suffering from illiquidity discount and settlement risk.

An opportunity for Scheme Shareholders to monetise the Shares

The trading liquidity of the Shares has been at a low level over a prolonged period in recent years. The average daily trading volume of Shares for the six-month period, 12-month period and 24-month period up to and including the Last Full Trading Day were approximately 95,943 Shares, 65,047 Shares and 130,859 Shares per trading day, representing only approximately 0.01%, 0.00% and 0.01% respectively of the total number of Shares in issue as at the date of this joint announcement.

The low trading liquidity of the Shares could make it difficult for the Disinterested Scheme Shareholders to execute substantial on-market disposals without adversely affecting the price of the Shares. As such, the Scheme presents an immediate opportunity for the Disinterested Scheme Shareholders to monetise their investments for cash and redeploy the proceeds from accepting the Scheme into other investment opportunities.

For the Offeror and the Company

Limited usage of the listing platform

The Company has not conducted any equity fund raising activities in recent years, due to the relatively low liquidity in the trading of the Shares as aforesaid and the downward trend of the closing price of the Shares. Under such circumstances, the Company is unable to fully utilise its current listing platform as a source of funding for its long term growth. It is expected that continued listing of the Shares may not provide any meaningful benefit to the Company in the near future given the adverse business environment faced by the Group.

Reducing cost and expenses of maintaining the Company's listing status while enabling the Offeror to run the business of the Group in a more efficient and effective way

The Proposal, which entails the delisting of the Company, is expected to reduce the administrative, compliance and other listing-related costs and management resources associated with maintaining the Company's listing status and compliance with regulatory requirements. It could also provide more flexibility to the Offeror and the Group to achieve long-term commercial development and to maintain competitiveness in the challenging market environment, free from the pressure of market expectations, share price fluctuations and additional costs and expenses that may arise from the Company being a publicly listed company.

Taking into account the above reasons and factors, the Board has decided to put forward the Proposal to the Scheme Shareholders for their consideration. The Directors (excluding Mr. Wang who has abstained from voting due to his interest in the Proposal and the Scheme and members of the Independent Board Committee whose views will be given after considering the advice of the Independent Financial Adviser) believe that the Proposal and the Scheme are fair and reasonable so far as the Disinterested Scheme Shareholders are concerned.

WITHDRAWAL OF LISTING

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and extinguished and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title.

The Company will make an application to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange in accordance with Rule 6.15 of the Listing Rules, with effect immediately following the Effective Date. The Scheme Shareholders will be notified by way of an announcement of the exact dates of the last day for dealing in the Shares and the day on which the Scheme and the withdrawal of the listing of the Shares on the Stock Exchange will become effective. A detailed timetable of the implementation of the Proposal will be included in the Scheme Document.

Subject to the requirements of the Takeovers Code, the Proposal will lapse if any of the Conditions has not been fulfilled or waived, as applicable, on or before the Long Stop Date. If the Scheme is not approved or the Proposal otherwise lapses, the listing of the Shares on the Stock Exchange will not be withdrawn.

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

OVERSEAS SCHEME SHAREHOLDERS

The making and implementation of the Proposal to the Scheme Shareholders who are not residents in Hong Kong may be affected by the applicable laws of the relevant jurisdictions. Any Scheme Shareholders who are not residents in Hong Kong should inform themselves about and observe any applicable requirements in their own jurisdictions.

It is the responsibility of any overseas Scheme Shareholders wishing to take any actions in relation to the Proposal to satisfy themselves as to the full observance of the laws of the relevant jurisdictions in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, the compliance with the necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction.

Any acceptance by the Scheme Shareholders will be deemed to constitute a representation and warranty from such persons to the Offeror and the Company and their respective advisers, including CMB International, the financial adviser to the Offeror, that those laws and regulatory requirements have been complied with. In the event that the receipt of the Scheme Document by Scheme Shareholders is prohibited by any relevant laws or regulations or may only be effected after compliance with conditions or requirements that the sole director of the Offeror or the Directors regard as unduly onerous or burdensome (or otherwise not in the best interests of the Offeror or the Company or their respective shareholders), the Scheme Document may not be despatched to such overseas Scheme Shareholders. For that purpose, the Company will apply for a waiver pursuant to Note 3 to Rule 8 of the Takeovers Code at such time. Any such waiver will only be granted if the Executive is satisfied that it would be unduly burdensome to despatch the Scheme Document to such overseas Scheme Shareholders. In granting the waiver, the Executive will be concerned to see that all material information in the Scheme Document is made available to such Scheme Shareholders.

TAXATION ADVICE

Scheme 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 Proposal. It is emphasised that none of the Offeror, the Offeror Concert Parties, the Company, CMB International or any of their respective directors, officers or associates or any other person involved in the Proposal accepts responsibility (other than in respect of themselves, if applicable) for any taxation effects on, or liabilities of, any other persons as a result of the implementation of the Proposal.

COSTS OF THE SCHEME

Pursuant to Rule 2.3 of the Takeovers Code, if the Scheme is not approved and the Proposal is either not recommended by the Independent Board Committee, or is not recommended as fair and reasonable by the Independent Financial Adviser, all costs and expenses incurred by the Company and the Offeror in connection with the Scheme will be borne by the Offeror.

If the Proposal is recommended by the Independent Board Committee, and is recommended as fair and reasonable by the Independent Financial Adviser, the Company and the Offeror have agreed that each party will bear their own costs, charges and expenses.

SCHEME DOCUMENT

Pursuant to Rule 8.2 of the Takeovers Code, unless the Executive's consent is obtained, the Scheme Document, including, amongst other things, further details of the Proposal and the Scheme, an explanatory memorandum as required under the rules of the Grand Court, the expected timetable relating to the Proposal, the recommendations of the Independent Board Committee, the letter of advice from the Independent Financial Adviser and notices to convene the Court Meeting and the EGM, together with forms of proxy in relation thereto, as well as other particulars required by the Takeovers Code, should be despatched to the Scheme Shareholders within 21 days of the date of this joint announcement (i.e. on or before 19 June 2023), and in compliance with the requirements of the Takeovers Code, the rules and orders of the Grand Court and any other applicable laws and regulations.

As additional time is required to procure the holding of the Directions Hearing and to finalise the financial information to be included in the Scheme Document, an application will be made to the Executive pursuant to Rule 8.2 of the Takeovers Code for its consent to extend the deadline for the despatch of the Scheme Document. Further announcement(s) will be made by the Company and the Offeror in respect of the application for the consent and the expected date of despatch of the Scheme Document.

The Scheme Document will contain important information and the Scheme Shareholders are urged to read the Scheme Document carefully before casting any vote at (or providing any proxy in respect of) the Court Meeting and the EGM.

THE SCHEME SHARES, THE COURT MEETING AND THE EGM

As at the date of this joint announcement, the Offeror does not hold any Shares in the Company and the Offeror Concert Parties hold 1,332,988,000 Shares in aggregate, representing approximately 80.29% of the total number of Shares in issue.

Among the 1,332,988,000 Shares held by the Offeror Concert Parties, the 1,151,268,000 Shares held by GEIRG will form part of the Scheme Shares with the 327,217,000 Shares held by the Disinterested Scheme Shareholders and be cancelled and extinguished upon the Scheme becoming effective, while pursuant to the Rollover Arrangement, the 4,000,000 Shares held by Mr. Wang, the 250,000 Shares held by Mrs. Wang, the 11,590,000 Shares held by Ms. Janice Wang, and the 165,880,000 Shares held by RVJD STAR Company will not form part of the Scheme Shares and will not be cancelled and extinguished upon the Scheme becoming effective.

All of the Offeror Concert Parties will abstain from voting on the Scheme at the Court Meeting. As such, as at the date of this joint announcement, all Disinterested Scheme Shareholders (i.e. all the Scheme Shareholders other than GEIRG) are entitled to vote on the Scheme at the Court Meeting. The Offeror will undertake to the Grand Court that it will be bound by the Scheme, so as to ensure that it will comply with and be subject to the terms and conditions of the Scheme.

All Shareholders will be entitled to attend the EGM to vote on (a) the special resolution to approve and give effect to the reduction of the issued share capital of the Company by the cancellation and extinguishment of the Scheme Shares; and (b) the ordinary resolution to (i) approve the simultaneous increase in the issued share capital of the Company immediately thereafter to the amount prior to the cancellation and extinguishment of the Scheme Shares and apply the reserve created as a result of the aforesaid cancellation and extinguishment of the Scheme Shares to pay up in full at par such number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished as a result of the Scheme, credited as fully paid, for issuance to the Offeror; and (ii) authorise any one of the Directors to do all acts and things considered by him to be necessary or desirable in connection with the implementation of the Scheme.

The Offeror and the Offeror Concert Parties have indicated that, if the Scheme is approved at the Court Meeting, the Offeror and the Offeror Concert Parties will vote in favour of the resolution(s) to be proposed at the EGM.

DISCLOSURE OF DEALINGS

In accordance with Rule 22 of the Takeovers Code, associates (as defined in the Takeovers Code and including persons holding 5% or more of any class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company or the Offeror) of the Offeror and the Company are reminded to disclose their dealings in any securities of the Company pursuant to the requirements of the Takeovers Code during the period commencing from the date of this joint announcement and ending on the Effective Date (or, if earlier, the date on which the Scheme is withdrawn or lapses in accordance with its terms and 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.”

GENERAL

As at the date of this joint announcement:

- (a) save for the Share Swap Undertaking, the Rollover Arrangement and the Irrevocable Undertaking, there is no arrangement (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the Shares or the Offeror Shares or any of the Offeror Concert Parties which might be material to the Proposal, and there is no arrangement of the kind referred to in the third paragraph of Note 8 to Rule 22 of the Takeovers Code which exists between the Offeror, the Offeror Concert Parties and any other person;
- (b) there is no agreement or arrangement to which the Offeror or any of the Offeror Concert Parties 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 Proposal;
- (c) save for the Rollover Arrangement and the Irrevocable Undertaking, neither the Offeror nor any of the Offeror Concert Parties has received any irrevocable commitment to vote for or against the Proposal;
- (d) no benefit (other than statutory compensation) had been or would be given to any Directors as compensation for loss of office or otherwise in connection with the Proposal;
- (e) save for the Share Swap Undertaking and the Rollover Arrangement, there is no agreement, arrangement or understanding (including any compensation arrangement) between the Offeror or any of the Offeror Concert Parties on the one hand and any of the Directors, recent Directors, Shareholders or recent Shareholders on the other hand having any connection with or dependence upon the Proposal;
- (f) save for the Share Swap Undertaking, the Rollover Arrangement and the Irrevocable Undertaking, there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (1) any Shareholders and (2)(a) the Offeror and Offeror Concert Parties, or (2)(b) the Company, its subsidiaries or associated companies.

UNUSUAL PRICE AND TRADING VOLUME MOVEMENTS

References are made to the announcement of the Company dated 22 May 2023 in respect of the trading halt in the Shares relating to inside information and the announcement of the Company dated 23 May 2023 (the “**Announcement**”) in respect of the full redemption of its senior notes in the aggregate principal amount of USD400.0 million.

The Board noted the increase in price and trading volume of the Shares on 22 May 2023. Having made such enquiries with respect to the Company as was reasonable in the circumstances, the Board confirmed that, save as set out in this joint announcement and the Announcement, it was not aware of any reason for the price or trading volume movements, and it was not aware of any inside information that needed to be disclosed under Part XIVA of the Securities and Futures Ordinance (CAP. 571 of the Laws of Hong Kong).

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted from 2:55 p.m. on 22 May 2023, pending the issue 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 29 May 2023.

DEFINITIONS

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

“acting in concert”	has the meaning given to it in the Takeovers Code, and “persons acting in concert” and “concert parties” shall be construed accordingly
“associate(s)”	has the meaning given to it in the Takeovers Code
“Authorisations”	all necessary notifications, registrations, applications, filings, authorisations, orders, recognitions, grants, waivers, consents, licences, confirmations, clearances, permissions, no-action relief, exemption relief orders and approvals, and all appropriate waiting periods (including extensions thereof), which are required or necessary in connection with the Proposal under any applicable laws or regulations
“Board”	the board of Directors
“Cancellation Price”	the cancellation price of HK\$6.88 per Scheme Share cancelled and extinguished payable by the Offeror to the Scheme Shareholders pursuant to the Scheme in the form of (i) the Cash Cancellation Consideration in respect of the Disinterested Scheme Shareholders; or (ii) the GEIRG Cancellation Consideration in respect of GEIRG
“Cash Cancellation Consideration”	the consideration payable in cash by the Offeror to the Disinterested Scheme Shareholders, being the Cancellation Price for every Scheme Share held by the Disinterested Scheme Shareholders that is cancelled and extinguished pursuant to the Scheme

“CMB International”	CMB International Capital Limited, the financial adviser to the Offeror in relation to the Proposal. CMB International is a licensed corporation under the SFO, licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities
“Companies Act”	the Companies Act (As Revised) of the Cayman Islands
“Company”	Golden Eagle Retail Group Limited (金鷹商貿集團有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Condition(s)”	the condition(s) for the implementation of the Proposal and the Scheme, as set out in the paragraph headed “Conditions of the Proposal and the Scheme” under the section headed “Terms of the Proposal” of this joint announcement
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Court Meeting”	a meeting of the Scheme Shareholders to be convened and held at the direction of the Grand Court at which the Scheme (with or without modification) will be voted upon, or any adjournment thereof
“Director(s)”	the director(s) of the Company
“Disinterested Scheme Shareholder(s)”	all of the Scheme Shareholder(s), other than Scheme Shareholder acting in concert with the Offeror, namely, GEIRG
“Directions Hearing”	a directions hearing of the Grand Court for the purpose of giving directions as to the holding of the Court Meeting
“Disinterested Shares”	Shares in issue other than those beneficially owned by the Offeror and the Offeror Concert Party(ies)
“Effective Date”	the date on which the Scheme, if approved and sanctioned by the Grand Court, becomes effective in accordance with its terms and the Companies Act, being the date on which a copy of the order of the Grand Court sanctioning the Scheme and confirming the reduction of issued share capital resulting from the cancellation and extinguishment of the Scheme Shares is delivered to the Registrar of Companies in the Cayman Islands for registration pursuant to Section 86(3) of the Companies Act
“EGM”	an extraordinary general meeting of the Company to be convened and held as soon as practicable following the conclusion or adjournment of the Court Meeting for the purposes of passing all necessary resolution(s) for, amongst other things, the implementation of the Scheme, or any adjournment thereof
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate thereof
“Family Trust”	The 2004 RVJD Family Trust, of which, Mr. Wang, Mrs. Wang and their two daughters including Ms. Janice Wang are beneficiaries
“Founder Family Members”	collectively, Mr. Wang, Mrs. Wang and Ms. Janice Wang

“GEICO”	GEICO Holdings Ltd., a company incorporated in the British Virgin Islands with limited liability, being the sole shareholder of each of GEIRG and the Offeror, and an indirect controlling shareholder of the Company
“GEIRG”	Golden Eagle International Retail Group Limited, a company incorporated in the Cayman Islands with limited liability, and wholly-owned by GEICO as at the date of this joint announcement
“GEIRG Cancellation Consideration”	the consideration in the amount of HK\$7,920,723,840, being the Cancellation Price multiplied by 1,151,268,000, to be received by GEIRG for the cancellation and extinguishment of their 1,151,268,000 Scheme Shares under the Scheme
“Grand Court”	the Grand Court of the Cayman Islands
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent board committee of the Company which comprises all the independent non-executive Directors, namely Mr. Wong Chi Keung, Mr. Lay Danny J and Mr. Lo Ching Yan, established by the Board to make recommendation to the Disinterested Scheme Shareholders in relation to the Proposal and the Scheme
“Independent Financial Adviser” or “Opus Capital”	Opus Capital Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee in relation to the Proposal and the Scheme
“Irrevocable Undertaking”	the irrevocable undertaking dated 25 May 2023 and given by the Undertaking Shareholder in favour of the Offeror in respect of the Undertaking Scheme Shares
“Last Full Trading Day”	19 May 2023, being the last full trading day prior to the trading halt in the Shares pending the publication of this joint announcement
“Last Trading Day”	22 May 2023, being the last trading day immediately before the trading halt in the Shares pending the publication of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 December 2023 or such later date as the Offeror and the Company may agree and, to the extent applicable, as the Grand Court on the application of the Company may direct and, in all cases, as permitted by the Executive

“Mr. Wang”	Mr. Wang Hung, Roger, the Chairman of the Board and an executive Director
“Mrs. Wang”	Ms. Wang Vivine H, the spouse of Mr. Wang
“Ms. Janice Wang”	Ms. Wang Janice S.Y., a daughter of Mr. Wang and Mrs. Wang
“Offeror”	Golden Eagle Retail Investment Limited, a company incorporated in the Cayman Islands with limited liability, and wholly-owned by GEICO as at the date of this joint announcement
“Offeror Concert Party(ies)”	parties acting in concert or presumed to be acting in concert with the Offeror, including GEIRG, GEICO, the Family Trust, the Founder Family Members, RVJD STAR Trust and RVJD STAR Company
“Offeror Share(s)”	ordinary share(s) of the Offeror
“PRC”	the People’s Republic of China
“Proposal”	the proposal for the privatisation of the Company by the Offeror by way of the Scheme on the terms and subject to the conditions as set out in this joint announcement
“Registrar of Companies”	the Registrar of Companies in the Cayman Islands
"Register"	the principal or branch register of members of the Company (as the case may be) in respect of the Shares
“Relevant Authorities”	any competent governments and/or governmental bodies, regulatory bodies, courts or institutions (including without limitation the SFC and the Stock Exchange)
“RMB”	Renminbi, the lawful currency of the PRC
“Rollover Agreement”	the rollover agreement entered into between the Offeror, the Founder Family Members and RVJD STAR Company on 28 May 2023
“Rollover Arrangement”	the arrangement between the Offeror, the Founder Family Members and RVJD STAR Company under the Rollover Agreement
“RVJD STAR Company”	RVJD STAR Company, a company incorporated in the Cayman Islands with limited liability, a wholly-owned subsidiary of RVJD Holding Limited, which in turn is wholly-owned by the RVJD STAR Trust
“RVJD STAR Trust”	The 2019 RVJD STAR Trust, a discretionary trust founded by Mr. Wang and Mrs. Wang to which Cititrust Private Trust (Cayman) Limited is the trustee

“Scheme”	a scheme of arrangement to be proposed under Section 86 of the Companies Act between the Company and the Scheme Shareholders (subject to the Conditions) involving, amongst other things, the cancellation and extinguishment of all the Scheme Shares in exchange for the Cash Cancellation Consideration or the GEIRG Cancellation Consideration (as the case may be) and the simultaneous restoration of the number of the issued Shares in the share capital of the Company to the number prior to the cancellation and extinguishment of the Scheme Shares, with or subject to any modifications, additions or conditions as may be approved or imposed by the Grand Court
“Scheme Document”	the composite scheme document to be jointly despatched by the Offeror and the Company to the Shareholders containing, among others, further details of the Proposal together with the additional information as described in the section headed “Scheme Document” of this joint announcement
“Scheme Record Date”	the record date to be announced for the purpose of determining entitlements of the Scheme Shareholders to the Cash Cancellation Consideration or the GEIRG Cancellation Consideration (as the case may be)
“Scheme Share(s)”	Share(s) held by the Scheme Shareholders, including the Undertaking Scheme Shares and the Shares held by GEIRG, but excluding the Shares held by the Founder Family Members and RVJD STAR Company
“Scheme Shareholder(s)”	the registered holder(s) of the Scheme Shares
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Swap Undertaking”	the share swap undertaking entered into by GEIRG in favour of the Offeror on 28 May 2023
“Share(s)”	ordinary share(s) of par value of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers in Hong Kong
“Undertaking Scheme Shares”	119,232,588 Shares held by the Undertaking Shareholder

“Undertaking Shareholder”	ICFI HK (U.S.A.) Investments, LLC, a company incorporated in the U.S. with limited liability, the ultimate beneficial owner of which is Cherng Family Trust, which, save as a Shareholder, (i) has no relationship with the Offeror and the Offeror Concert Parties; and (ii) is independent of and not acting in concert with the Offeror and the Offeror Concert Parties
“U.S.”	the United States of America
“%”	per cent

Unless otherwise specified in this joint announcement, translations of RMB into HK\$ are made in this joint announcement, for illustration only, at the rate of RMB1.00 to HK\$0.9006. No representation is made that any amounts in RMB or HK\$ could have been or could be converted at that rate or at any other rates or at all.

By order of the board of
Golden Eagle Retail Investment Limited
Wang Hung, Roger
Director

By order of the Board of
Golden Eagle Retail Group Limited
Wang Hung, Roger
Chairman

Hong Kong, 28 May 2023

As at the date of this joint announcement, the sole director of each of the Offeror and GEICO is Mr. Wang.

The sole director of the Offeror and GEICO accepts full responsibility for the accuracy of the information contained in this joint announcement (other than that 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 opinions expressed by the Directors in their capacity as 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.

As at the date of this joint announcement, the Board comprises two executive Directors, namely Mr. Wang and Mr. Tan Jianlin and three independent non-executive Directors, namely Mr. Wong Chi Keung, Mr. Lay Danny J and Mr. Lo Ching Yan.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Offeror and the Offeror Concert Parties) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the sole director of the Offeror in his capacity as the 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.