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**LUK FOOK HOLDINGS
(INTERNATIONAL) LIMITED**
(Incorporated in Bermuda with limited liability)
(Stock Code: 0590)



**HONG KONG RESOURCES HOLDINGS
COMPANY LIMITED**
*(Incorporated in Bermuda with limited
liability and carrying on business in Hong Kong
as HKRH China Limited)*
(Stock Code: 2882)

**LUK FOOK 3D INVESTMENT
HOLDING COMPANY LIMITED**
(Incorporated in Hong Kong with limited liability)

JOINT ANNOUNCEMENT

- (I) POSSIBLE ACQUISITION OF SHARES IN HONG KONG RESOURCES HOLDINGS COMPANY LIMITED BY LUK FOOK 3D INVESTMENT HOLDING COMPANY LIMITED, A WHOLLY-OWNED SUBSIDIARY OF LUK FOOK HOLDINGS (INTERNATIONAL) LIMITED;**
- (II) POSSIBLE DISPOSAL OF BRAND NEW MANAGEMENT LIMITED BY HONG KONG RESOURCES HOLDINGS COMPANY LIMITED - CONNECTED AND DISCLOSEABLE TRANSACTION FOR HONG KONG RESOURCES HOLDINGS COMPANY LIMITED AND SPECIAL DEAL;**
- (III) POSSIBLE UNCONDITIONAL MANDATORY CASH OFFERS BY OPTIMA CAPITAL LIMITED FOR AND ON BEHALF OF LUK FOOK 3D INVESTMENT HOLDING COMPANY LIMITED TO ACQUIRE ALL ISSUED SHARES IN HONG KONG RESOURCES HOLDINGS COMPANY LIMITED (OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY LUK FOOK 3D INVESTMENT HOLDING COMPANY LIMITED AND PARTIES ACTING IN CONCERT WITH IT) AND CANCEL ALL OUTSTANDING OPTIONS OF HONG KONG RESOURCES HOLDINGS COMPANY LIMITED - DISCLOSEABLE TRANSACTION FOR LUK FOOK HOLDINGS (INTERNATIONAL) LIMITED IN RESPECT OF (I) AND (III);**
- (IV) APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER; AND**
- (V) RESUMPTION OF TRADING**

Financial adviser to the Offeror



Independent financial adviser to the
Independent Board Committees
Nuada Limited

THE SALE AND PURCHASE AGREEMENTS

Luk Fook Holdings announces that on 28 July 2023 (after trading hours), (i) the Offeror (as purchaser), Eminent Rise (as vendor) and Mr. Li (as vendor) entered into the Eminent Rise Sale and Purchase Agreement relating to the Eminent Rise Sale Shares and Mr. Li Sale Shares; (ii) the Offeror (as purchaser), Grace Fountain (as vendor) and Mr. Wang (as guarantor) entered into the Grace Fountain Sale and Purchase Agreement relating to the Grace Fountain Sale Shares and the First Convertible Bonds; and (iii) the Offeror (as purchaser), Excel Horizon (as vendor) and Mr. Duan (as guarantor) entered into the Excel Horizon Sale and Purchase Agreement relating to the Excel Horizon Sale Shares and the Second Convertible Bonds.

Pursuant to the Eminent Rise Sale and Purchase Agreement, the Offeror has conditionally agreed to purchase, and each of Eminent Rise and Mr. Li has conditionally agreed to sell, the Eminent Rise Sale Shares and Mr. Li Sale Shares (collectively representing approximately 7.85% of the total number of issued HKRH Shares as at the date of this joint announcement), respectively, for a total consideration of HK\$14,809,900.00.

Pursuant to the Grace Fountain Sale and Purchase Agreement, the Offeror has conditionally agreed to purchase, and Grace Fountain has conditionally agreed to sell, the Grace Fountain Sale Shares (representing approximately 24.10% of the total number of issued HKRH Shares as at the date of this joint announcement) for a total consideration of HK\$45,500,000.00 and the First Convertible Bonds for a total consideration of HK\$56,000,000.00.

Pursuant to the Excel Horizon Sale and Purchase Agreement, the Offeror has conditionally agreed to purchase, and Excel Horizon has conditionally agreed to sell, the Excel Horizon Sale Shares (representing approximately 18.54% of the total number of issued HKRH Shares as at the date of this joint announcement) for a total consideration of HK\$35,000,000.00 and the Second Convertible Bonds for a total consideration of HK\$35,000,000.00.

Subject to the fulfilment or waiver (where applicable) of all the Conditions, completion of all the Sale and Purchase Agreements shall take place simultaneously and also simultaneously with completion of the Disposal Agreement.

Further details of the Sale and Purchase Agreements are set out in Part A of this joint announcement.

POSSIBLE DISPOSAL OF BRAND NEW MANAGEMENT BY HKRH UNDER THE DISPOSAL AGREEMENT

On 28 July 2023, HKRH and Mr. Li entered into the Disposal Agreement, pursuant to which HKRH conditionally agreed to sell, and Mr. Li conditionally agreed to purchase, the Brand New Management Sale Share, representing the entire issued share capital of Brand New Management, for a total consideration of HK\$9 million (subject to adjustment). Brand New Management is a wholly-owned subsidiary of HKRH.

The Disposal Completion is conditional in all respects upon fulfilment of the Disposal Conditions.

Further details of the Disposal Agreement are set out in Part B of this joint announcement.

POSSIBLE UNCONDITIONAL MANDATORY CASH OFFERS

Optima Capital Limited will, subject to Completion, for and on behalf of the Offeror, make the Share Offer pursuant to Rule 26.1 of the Takeovers Code and the Option Offer pursuant to Rule 13.5 of the Takeovers Code on the following basis:

The Share Offer

For each Offer ShareHK\$0.70 in cash

The Option Offer

For cancellation of each outstanding Option with an exercise price of HK\$3.232:
(1,050,000 Options in total) HK\$0.00001 in cash

The Share Offer Price of HK\$0.70 per Offer Share is equal to the purchase price per Sale Share payable by the Offeror under the Sale and Purchase Agreements.

Pursuant to Rule 13 of the Takeovers Code and Practice Note 6 of the Takeovers Code, the offer price for the outstanding Options would normally represent the difference between the exercise price of the Options and the Share Offer Price. Under the Option Offer, given that the exercise price of 1,050,000 outstanding Options is above the Share Offer Price, such 1,050,000 outstanding Options are out-of-money and the offer price for each such outstanding Option is at a nominal value of HK\$0.00001.

The Share Offer will be extended to all HKRH Shareholders (other than those HKRH Shares already owned or agreed to be acquired by the Offeror and the Offeror Concert Parties) and the Option Offer will be extended to all HKRH Optionholders.

Optima Capital Limited, being the financial adviser to the Offeror in respect of the Offers, is satisfied that sufficient financial resources are available to the Offeror to satisfy the maximum cash consideration payable by the Offeror for all the Sale Shares and upon full acceptance of the Offers.

The Offeror has no intention to privatise the HKRH Group and intends to maintain the listing of the HKRH Shares on the Stock Exchange. The Offeror will undertake to the Stock Exchange to take appropriate steps to ensure that not less than 25% of the issued HKRH Shares will be held by the public at all times following the close of the Offers.

Further details of the Offers are set out in Part C of this joint announcement.

LISTING RULES AND TAKEOVERS CODE IMPLICATIONS

(i) Luk Fook Holdings

As the applicable percentage ratios for the Acquisition and the Offers in aggregate are more than 5% but less than 25%, the Acquisition and the Offers together constitute a discloseable transaction for Luk Fook Holdings and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

(ii) HKRH

The Disposal Agreement and the transactions contemplated thereunder constitute a Special Deal. The Disposal Agreement and the transactions contemplated thereunder are therefore subject to the approval of the Independent HKRH Shareholders in general meeting and require the consent of the Executive. An application will be made to the Executive for consent under Rule 25 of the Takeovers Code in relation to the Disposal Agreement and the transactions contemplated thereunder.

Such consent, if granted, will be subject to (i) the Independent Financial Adviser publicly stating that in its opinion the terms of the Disposal Agreement and the transactions contemplated thereunder are fair and reasonable; and (ii) the approval of the Disposal Agreement and the transactions contemplated thereunder by the Independent HKRH Shareholders by way of a poll at the general meeting of HKRH. HKRH Shareholders including (i) Mr. Li, Eminent Rise, Mr. Wang, Grace Fountain, Mr. Duan, Excel Horizon, their respective associates and parties acting in concert with any of them; (ii) the Offeror Concert Parties; and (iii) any other HKRH Shareholders who are involved or interested in the Disposal Agreement, the Sale and Purchase Agreements or the transactions contemplated thereunder, will be required to abstain from voting on the resolution in respect of the Disposal Agreement at the HKRH SGM.

In addition, as one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal is more than 5% but less than 25%, the entering into of the Disposal Agreement and the transaction contemplated thereunder constitute a discloseable transaction on the part of HKRH.

Brand New Management is a wholly-owned subsidiary of HKRH. Mr. Li, beneficially and through Eminent Rise, his controlled corporation, are in aggregate holding 21,157,000 HKRH Shares, representing approximately 7.85% shareholding of the HKRH. Mr. Li is a connected person of HKRH and the Disposal constitutes a connected transaction for HKRH under Chapter 14A of the Listing Rules. The Disposal Agreement and the transaction contemplated thereunder is subject to reporting, announcement, circular and HKRH Shareholders' approval at the HKRH SGM.

THE HKRH SGM

The HKRH SGM will be convened and held for the Independent HKRH Shareholders to consider and, if thought fit, approve the Disposal Agreement and the transactions contemplated thereunder. HKRH Shareholders including (i) Mr. Li, Eminent Rise, Mr. Wang, Grace Fountain, Mr. Duan, Excel Horizon, their respective associates and parties acting in concert with any of them; (ii) the Offeror Concert Parties; and (iii) any other HKRH Shareholders who are involved or interested in the Disposal Agreement, the Sale and Purchase Agreements or the transactions contemplated thereunder, will be required to abstain from voting on the resolution in respect of the Disposal Agreement at the HKRH SGM.

A circular of HKRH containing, among other things, (i) details of the Disposal Agreement; (ii) the letter of recommendation from the Listing Rules IBC of HKRH in respect of the Disposal Agreement; (iii) the letter of recommendation from the Code IBC of HKRH in respect of the Special Deal; (iv) the letter of advice from the Independent Financial Adviser in respect of the Disposal Agreement; and (v) a notice convening the HKRH SGM will be sent to the HKRH Shareholders on or before 9 October 2023.

DESPATCH OF COMPOSITE DOCUMENT

It is the intention of the Offeror and the board of directors of HKRH that the offer document from the Offeror and the offeree board circular from HKRH be combined into a Composite Document.

Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document (accompanied by the form of acceptance and transfer), containing, among other things, (i) the terms and conditions of the Offers; (ii) the expected timetable of the Offers; (iii) a letter of recommendation from the Code IBC of HKRH to the Independent HKRH Shareholders and the Independent HKRH Optionholders in respect of the Offers; and (iv) a letter of advice from the Independent Financial Adviser to the Code IBC of HKRH in respect of the Offers, shall be despatched to the HKRH Shareholders and the HKRH Optionholders within 21 days of the date of this joint announcement or such later date as may be permitted by the Takeovers Code and agreed by the Executive.

It is expected that the Completion and the Offers may not take place within 21 days of the date of this joint announcement. As such, an application will be made to the Executive in respect of Note 2 to Rule 8.2 of the Takeovers Code for its consent to extend the date of posting of the composite offer and response document to the Shareholders within 7 days of the Completion. Further announcement(s) regarding the despatch of the Composite Document will be made by the Offeror and HKRH as and when appropriate.

HKRH Shareholders and HKRH Optionholders are encouraged to read the circular of HKRH and the Composite Document carefully, including the advice from the Independent Financial Adviser to the Code IBC of HKRH and the recommendation from the Code IBC of HKRH to the Independent HKRH Shareholders and Independent HKRH Optionholders in respect of the Offers, before deciding whether or not to accept the Offers and whether or not to approve the Disposal Agreement, the Special Deal and the transactions contemplated thereunder.

RESUMPTION OF TRADING

At the request of HKRH, trading in the HKRH Shares was halted with effect from 10:23 a.m. on 28 July 2023 pending the publication of this joint announcement. Application has been made by HKRH to the Stock Exchange for the resumption of trading in the HKRH Shares with effect from 9:00 a.m. on 31 July 2023.

WARNING

The Offers will only be made if Completion takes place. Completion is subject to satisfaction and/or waiver, if applicable, of the Conditions contained in the Sale and Purchase Agreements. The Offers therefore may or may not be made. HKRH Shareholders, HKRH Optionholders and potential investors of HKRH are advised to exercise extreme caution when dealing in the securities of HKRH, and if they are in any doubt about their position, they should consult their professional advisers. This joint announcement is made in compliance with the Takeovers Code for the purpose of, among other things, informing the HKRH Shareholders, HKRH Optionholders and potential investors of HKRH of the possibility that the Offers may be made.

PART A - THE SALE AND PURCHASE AGREEMENTS

Luk Fook Holdings announces that on 28 July 2023 (after trading hours), (i) the Offeror (as purchaser), Eminent Rise (as vendor) and Mr. Li (as vendor) entered into the Eminent Rise Sale and Purchase Agreement relating to the Eminent Rise Sale Shares and Mr. Li Sale Shares; (ii) the Offeror (as purchaser), Grace Fountain (as vendor) and Mr. Wang (as guarantor) entered into the Grace Fountain Sale and Purchase Agreement relating to the Grace Fountain Sale Shares and the First Convertible Bonds; and (iii) the Offeror (as purchaser), Excel Horizon (as vendor) and Mr. Duan (as guarantor) entered into the Excel Horizon Sale and Purchase Agreement relating to the Excel Horizon Sale Shares and the Second Convertible Bonds.

(i) The Eminent Rise Sale and Purchase Agreement

Date : 28 July 2023

Parties : Eminent Rise, as vendor;

Mr. Li, as vendor; and

The Offeror, as purchaser.

To the best of the knowledge, information and belief of the directors of Luk Fook Holdings having made all reasonable enquiries, each of Mr. Li and Eminent Rise is an Independent Third Party to Luk Fook Holdings.

Eminent Rise Sale Shares and Mr. Li Sale Shares

Pursuant to the Eminent Rise Sale and Purchase Agreement, the Offeror has conditionally agreed to purchase, and each of Eminent Rise and Mr. Li has conditionally agreed to sell, the Eminent Rise Sale Shares and Mr. Li Sale Shares (collectively representing approximately 7.85% of the total number of issued HKRH Shares as at the date of this joint announcement), respectively, for a total consideration of HK\$14,809,900.00.

Both the Eminent Rise Sale Shares and Mr. Li Sale Shares will be acquired free from all Encumbrances and together with all rights attaching to them as at the date of the Eminent Rise Sale and Purchase Agreement and thereafter, including all rights to any dividend or other distribution declared, made or paid after the date of the Eminent Rise Sale and Purchase Agreement.

(ii) The Grace Fountain Sale and Purchase Agreement

Date : 28 July 2023

Parties : Grace Fountain, as vendor;

Mr. Wang, as guarantor; and

The Offeror, as purchaser.

To the best of the knowledge, information and belief of the directors of Luk Fook Holdings having made all reasonable enquiries, each of Mr. Wang and Grace Fountain is an Independent Third Party to Luk Fook Holdings.

Grace Fountain Sale Shares and the First Convertible Bonds

Pursuant to the Grace Fountain Sale and Purchase Agreement, the Offeror has conditionally agreed to purchase, and Grace Fountain has conditionally agreed to sell, the Grace Fountain Sale Shares (representing approximately 24.10% of the total number of issued HKRH Shares as at the date of this joint announcement) for a total consideration of HK\$45,500,000.00 and the First Convertible Bonds for a total consideration of HK\$56,000,000.00.

The Grace Fountain Sale Shares will be acquired free from all Encumbrances and together with all rights attaching to them as at the date of the Grace Fountain Sale and Purchase Agreement and thereafter, including all rights to any dividend or other distribution declared, made or paid after the date of the Grace Fountain Sale and Purchase Agreement.

The First Convertible Bonds will be assigned free from all Encumbrances, and including the right to receive all future payments of interest and other amounts which become due in respect of the First Convertible Bonds save and except the right to receive any interest accrued in respect of the First Convertible Bonds on or prior to, or in relation to any period ending on or prior to, the Completion Date.

(iii) The Excel Horizon Sale and Purchase Agreement

Date : 28 July 2023

Parties : Excel Horizon, as vendor;
Mr. Duan, as guarantor; and
The Offeror, as purchaser.

To the best of the knowledge, information and belief of the directors of Luk Fook Holdings having made all reasonable enquiries, each of Mr. Duan and Excel Horizon is an Independent Third Party to Luk Fook Holdings.

Excel Horizon Sale Shares and the Second Convertible Bonds

Pursuant to the Excel Horizon Sale and Purchase Agreement, the Offeror has conditionally agreed to purchase, and Excel Horizon has conditionally agreed to sell, the Excel Horizon Sale Shares (representing approximately 18.54% of the total number of issued HKRH Shares as at the date of this joint announcement) for a total consideration of HK\$35,000,000.00 and the Second Convertible Bonds for a total consideration of HK\$35,000,000.00.

The Excel Horizon Sale Shares will be acquired free from all Encumbrances and together with all rights attaching to them as at the date of the Excel Horizon Sale and Purchase Agreement and thereafter, including all rights to any dividend or other distribution declared, made or paid after the date of the Excel Horizon Sale and Purchase Agreement.

The Second Convertible Bonds will be assigned free from all Encumbrances, and including the right to receive all future payments of interest and other amounts which become due in respect of the Second Convertible Bonds save and except the right to receive any interest accrued in respect of the Second Convertible Bonds on or prior to, or in relation to any period ending on or prior to, the Completion Date.

Conditions under the Sale and Purchase Agreements

Completion of the Sale and Purchase Agreements is conditional upon:

- (i) all filings having been made by the Offeror to the State Administration for Market Regulation of the PRC (“SAMR”) in relation to the transactions under the Sale and Purchase Agreements pursuant to the requirements of the Anti-Monopoly Law of the PRC, such filings having been accepted by the SAMR for examination and cleared by the SAMR;
- (ii) the representations, warranties and undertakings given by each of the Vendors under the respective Sale and Purchase Agreement remaining true, accurate and not misleading in a material respect at Completion as if repeated at Completion and at all times between the date of the Sale and Purchase Agreements and Completion;
- (iii) the Disposal Agreement is being entered into simultaneously with the Sale and Purchase Agreements;
- (iv) the simultaneous completion, with Completion under the Sale and Purchase Agreements, of the disposal of Brand New Management to Mr. Li by HKRH pursuant to the terms of the Disposal Agreement;
- (v) the consent of the Executive in relation to the Disposal Agreement and the transactions contemplated thereunder as a Special Deal having been obtained;
- (vi) the passing by the Independent HKRH Shareholders of an ordinary resolution in the HKRH SGM approving the Disposal Agreement and the transactions contemplated thereunder in accordance with the requirements of the Listing Rules and the Takeovers Code;
- (vii) the current listing of the HKRH Shares not having been withdrawn, the HKRH Shares continued to be traded on the Stock Exchange prior to the Completion Date (save for temporary suspension pending any announcement in connection with the Sale and Purchase Agreements) and no notification having been received on or before the Completion Date from the Stock Exchange or the SFC that the listing of the HKRH Shares on the Stock Exchange will be, for whatever reason, withdrawn or suspended;
- (viii) all other necessary waivers, consents and approvals (if required) from the relevant governmental or regulatory authorities or any other third parties required for the Sale and Purchase Agreements and the transactions contemplated thereunder having been obtained;

- (ix) each of the Vendors having complied fully with their respective obligations specified in the Sale and Purchase Agreements and otherwise having performed all of the covenants and agreements required to be performed by it under the Sale and Purchase Agreements;
- (x) there having been no Material Adverse Change since the date of the Sale and Purchase Agreements;
- (xi) no statute, regulation or decision which would reasonably be expected to prohibit, restrict or materially delay the execution, delivery or performance of the Sale and Purchase Agreements and the related transaction documents, the consummation of the transactions or the operation of the members of the Retained HKRH Group after Completion having been proposed, enacted or taken by any governmental or official authority whether in Hong Kong, the PRC or elsewhere;
- (xii) the entering into of all the Sale and Purchase Agreements simultaneously and the completion of the transactions under the Sale and Purchase Agreements taking place simultaneously; and
- (xiii) in the case of the Grace Fountain Sale and Purchase Agreement and the Excel Horizon Sale and Purchase Agreement, the necessary written consent by HKRH having been obtained by Grace Fountain and Excel Horizon in respect of the assignment of the Convertible Bonds pursuant to the terms and conditions of the Convertible Bonds.

The Vendors shall use their respective best endeavours to procure the fulfilment of the Conditions (to the extent relating to such Vendor).

The Purchaser shall use its best endeavours to procure the fulfilment of the Condition set out in paragraph (i).

Except for the Conditions set out in paragraphs (i), (v), (vi) and (viii) (insofar as it relates to the necessary waivers, consents and approvals from the relevant governmental or regulatory authorities) above which cannot be waived, the Offeror may waive any of the Conditions to the extent permitted at its absolute discretion. It is the intention of the parties that the Offeror will have the right to determine whether any change, event, circumstance or other matter constitutes a Material Adverse Change for the Condition set out in paragraph (x) above.

If any of the Conditions is not satisfied, or where applicable, waived, prior to the Long Stop Date, each of the Sale and Purchase Agreements shall cease and determine save and except certain surviving provisions (which shall continue in force) and save in respect of claims arising out of any antecedent breach of the Sale and Purchase Agreements.

As at the date of this joint announcement, save for the Condition set out in paragraph (iii) above, none of the other Conditions has been fulfilled. As at the date of this joint announcement, save for disclosed in paragraphs (i), (v), (vi) and (xiii) above, no specific waiver, consent or approval has been identified as being required under the Condition set out in paragraph (viii) above.

Completion under the Sale and Purchase Agreements

Subject to the fulfilment or waiver (where applicable) of all the Conditions, completion of all the Sale and Purchase Agreements shall take place simultaneously on such date as may be agreed in writing between the Offeror and each of the Vendors following written notification by the Offeror to each of the Vendors of the fulfilment to the satisfaction of the Offeror (or waiver) of the Conditions (and which shall take place in any event within 14 days after the date of actual fulfilment to the satisfaction of the Offeror (or waiver)) simultaneously with completion of the Disposal Agreement.

Consideration for the Sale Shares and the Convertible Bonds

The consideration for each Sale Share under the Sale and Purchase Agreements is HK\$0.70, which was agreed between the Offeror and each of the Vendors after arm's length negotiations, having regard to the net liabilities of the HKRH Group as at 31 December 2022, the prevailing market price, historical price trend and liquidity of the HKRH Shares, the current capital market conditions, and the existing financial position and operation prospects of the HKRH Group's business.

The Convertible Bonds may be converted into 130,000,000 HKRH Shares at the current conversion price of HK\$0.65 per conversion share. The consideration for the Convertible Bonds under the Grace Fountain Sale and Purchase Agreement and the Excel Horizon Sale and Purchase Agreement of HK\$91,000,000.00 in aggregate translates to HK\$0.70 per conversion share, being the consideration for each Sale Share.

Additional liabilities incurred by HKRH

Pursuant to the Eminent Rise Sale and Purchase Agreement, any liabilities incurred by HKRH (excluding any subsidiaries of HKRH and any Disposed Subsidiaries) exceeding the amount of HK\$14,000,000.00 shall be borne by Eminent Rise and/or Mr. Li, either by way of providing shareholder loan to HKRH (interest-free and repayable on the first anniversary of the date of the shareholder's loan agreement) before Completion (which is to be set-off against the Disposal Consideration as further described in the paragraph headed "Disposal Consideration for the Brand New Management Sale Share" under Part B of this joint announcement with the balance (if any) to be waived at Completion) and/or by way of paying to HKRH such amount of additional liabilities not already loaned to HKRH (which does not need to be repaid to Eminent Rise and/or Mr. Li) at Completion.

PART B - POSSIBLE DISPOSAL OF BRAND NEW MANAGEMENT BY HKRH UNDER THE DISPOSAL AGREEMENT

Date : 28 July 2023

Parties : HKRH, as vendor; and

Mr. Li, as purchaser.

Brand New Management is a wholly-owned subsidiary of HKRH. Mr. Li is an executive director and a shareholder of HKRH. Mr. Li, beneficially and through Eminent Rise, his controlled corporation, is in aggregate holding 21,157,000 HKRH Shares, representing approximately 7.85% shareholding of HKRH. The Disposal constitutes a connected transaction for HKRH under Chapter 14A of the Listing Rules.

Subject matters of the Disposal

On 28 July 2023, HKRH and Mr. Li entered into the Disposal Agreement, pursuant to which the HKRH conditionally agreed to sell, and Mr. Li conditionally agreed to purchase, the Brand New Management Sale Share, representing the entire issued share capital of Brand New Management, for a total consideration of HK\$9 million (subject to adjustment as detailed under the paragraph headed “Disposal Consideration for the Brand New Management Sale Share” of this joint announcement).

The Disposal Completion is conditional in all respects upon fulfilment of the Disposal Conditions as set out under the paragraph headed “Conditions under the Disposal Agreement” of this joint announcement.

The HKRH SGM will be convened for the purpose of considering and, if thought fit, approving, among other things, the Disposal Agreement and the transactions contemplated thereunder.

Disposal Consideration for the Brand New Management Sale Share

The Disposal Consideration is HK\$9 million, which is subject to adjustment on a dollar-for-dollar basis at the net asset value of the Disposal Group as at 30 June 2023 as shown on the Disposal Certificate. Hence, if the net asset value of the Disposal Group as at 30 June 2023 is higher than HK\$9 million, the Disposal Consideration will be adjusted upward or vice versa. The Disposal Consideration shall be set off against Mr. Li’s Shareholder’s Loan on a dollar-for-dollar basis on the day of the Disposal Completion. If Mr. Li’s Shareholder’s Loan is less than the Disposal Consideration, Mr Li shall pay to HKRH the difference in cash. The Disposal Consideration is determined after arm’s length negotiation of HKRH and Mr. Li with reference to the net assets of the Disposal Group as at 31 May 2023 which is about HK\$9 million and the future prospects of the New Media Marketing Business.

Conditions under the Disposal Agreement

The Disposal Completion is conditional upon the fulfilment of the following conditions:

- (a) the passing by the independent shareholders of HKRH of an ordinary resolution in the HKRH SGM to approve the Disposal Agreement and the transactions contemplated thereunder in accordance with the requirements of the Listing Rules and the Takeovers Code;
- (b) the consent of the Executive in relation to the Disposal Agreement and the transactions contemplated thereunder as a Special Deal having been obtained, and such consent not having been revoked prior to the Disposal Completion;
- (c) all necessary consents and approvals (including but not limited to board approval and shareholder approval) required to be obtained on the part of HKRH in respect of the Disposal Agreement and the transactions contemplated thereunder having been obtained and remaining in full force and effect;
- (d) the Sale and Purchase Agreements having become unconditional (save as to the condition requiring the simultaneous completion of the Disposal Agreement);
- (e) the warranties given by HKRH under the Disposal Agreement remaining true and accurate in all material respects; and
- (f) the warranties given by Mr. Li under the Disposal Agreement remaining true and accurate in all material respects.

Save for Disposal Conditions (c) and (e) which may be waived by Mr. Li and Disposal Condition (f) which may be waived by HKRH, none of the Disposal Conditions above is capable of being waived by any party to the Disposal Agreement. HKRH and Mr. Li shall use their respective best endeavours to procure the fulfilment of the Disposal Conditions.

If the Disposal Conditions set out above have not been satisfied (or, as appropriate, waived) on or before 4:00 p.m. on 30 November 2023, or such other date as Mr. Li and HKRH may agree in writing, the Disposal Agreement shall cease and determine (save and except certain surviving provisions) and thereafter neither party shall have any obligations and liabilities thereunder save for any antecedent breaches of the terms thereof.

Completion under the Disposal Agreement

Upon fulfilment (or, as appropriate, waiver) of all the Disposal Conditions, the Disposal Completion shall take place on the day of the Disposal Completion. The parties agree that the Disposal Completion and the Completion shall take place contemporaneously. Upon completion under the Disposal Agreement, HKRH will no longer have any interest in Brand New Management and Brand New Management will cease to be accounted as a subsidiary of the HKRH Group.

PART C - POSSIBLE UNCONDITIONAL MANDATORY CASH OFFERS

As at the date of this joint announcement, HKRH has (i) 269,671,601 HKRH Shares in issue; (ii) 1,050,000 outstanding Options; and (iii) the Convertible Bonds. Save as disclosed above, HKRH has no other outstanding convertible securities, warrants, options or derivatives in issue which may confer any rights to subscribe for, convert or exchange into HKRH Shares as at the date of this joint announcement.

As at the date of this joint announcement, the Offeror and Offeror Concert Parties hold 2,447,918 HKRH Shares (representing approximately 0.91% of the total number of issued HKRH Shares as at the date of this joint announcement) and do not hold any convertible securities, warrants, options or derivatives in issue which may confer any rights to subscribe for, convert or exchange into HKRH Shares.

Upon Completion, the Offeror and Offeror Concert Parties will hold 138,604,918 HKRH Shares in total, representing approximately 51.40% of the total number of issued HKRH Shares as at the date of this joint announcement. In addition, the Offeror will hold the First Convertible Bonds and the Second Convertible Bonds upon Completion. Accordingly, the Offeror will be required to make a mandatory general offer in cash for all the securities of HKRH in issue other than those already owned or agreed to be acquired by the Offeror and the Offeror Concert Parties. The Offers, comprising the Share Offer and the Option Offer, if and when made, will be unconditional in all aspects.

Save for the entering into of the Sale and Purchase Agreements, none of the Offeror and the Offeror Concert Parties has dealt in any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of HKRH during the six-month period immediately preceding the date of the announcement of HKRH issued pursuant to Rule 3.7 of the Takeovers Code on 6 March 2023.

Principal terms of the Offers

Optima Capital Limited will, subject to Completion, for and on behalf of the Offeror, make the Share Offer pursuant to Rule 26.1 of the Takeovers Code and the Option Offer pursuant to Rule 13.5 of the Takeovers Code on the following basis:

The Share Offer

For each Offer ShareHK\$0.70 in cash

The Option Offer

For cancellation of each outstanding Option with an exercise price of HK\$3.232:
(1,050,000 Options in total) HK\$0.00001 in cash

The Share Offer Price of HK\$0.70 per Offer Share is equal to the purchase price per Sale Share payable by the Offeror under the Sale and Purchase Agreements.

Pursuant to Rule 13 of the Takeovers Code and Practice Note 6 of the Takeovers Code, the offer price for the outstanding Options would normally represent the difference between the exercise price of the Options and the Share Offer Price. Under the Option Offer, given that the exercise price of 1,050,000 outstanding Options is above the Share Offer Price, such 1,050,000 outstanding Options are out-of-money and the offer price for each such outstanding Option is at a nominal value of HK\$0.00001.

The Share Offer will be extended to all HKRH Shareholders (other than those HKRH Shares already owned or agreed to be acquired by the Offeror and the Offeror Concert Parties) and the Option Offer will be extended to all HKRH Optionholders. The Offer Shares to be acquired under the Share Offer shall be fully paid and free from all Encumbrances and together with all rights and benefits attaching to them as at the date of the Composite Document or subsequently becoming attached to them, including but not limited to the right to receive all dividends, distributions and any return of capital, if any, which may be paid, made or declared or agreed to be made or paid thereon or in respect thereof on or after the date on which the Offers are made, being the date of the Composite Document.

As at the date of this joint announcement, HKRH has no outstanding dividend which remains unpaid. HKRH has no intention in declaring any dividend during the offer period (as defined under the Takeovers Code) in respect of the Offers.

Comparison of value

The Share Offer Price of HK\$0.70 per Offer Share represents:

- (i) a premium of approximately 20.69% over the closing price of HK\$0.58 per HKRH Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 66.67% over the closing price of HK\$0.42 per HKRH Share as quoted on the Stock Exchange on the Last Full Trading Day;
- (iii) a premium of approximately 66.67% over the average closing prices of the HKRH Shares as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Full Trading Day of approximately HK\$0.42 per Share; and
- (iv) a premium of approximately 75.00% over the average closing prices of the HKRH Shares as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Full Trading Day of approximately HK\$0.40 per Share.

HKRH recorded an audited consolidated net deficit value attributable to the owners of HKRH of approximately HK\$0.30 per HKRH Share (based on the total number of issued HKRH Shares as at the date of this joint announcement) as at 30 June 2022, being the date to which the latest published audited financial results of the HKRH Group were made up and an unaudited consolidated net deficit value attributable to the owners of HKRH of approximately HK\$0.51 per HKRH Share (based on the total number of issued HKRH Shares as at the date of this joint announcement) as at 31 December 2022, being the date to which the latest published unaudited financial results of the HKRH Group were made up.

Highest and lowest prices of the Shares

During the six-month period preceding the date of this joint announcement, the highest closing price of the HKRH Shares as quoted on the Stock Exchange was HK\$0.51 on 12 May 2023, and the lowest closing price of the HKRH Shares as quoted on the Stock Exchange was HK\$0.20 on 9 February 2023.

Total value of the Offers

Assuming there is no change in the issued share capital of HKRH, none of the Convertible Bonds is converted and none of the outstanding Options is exercised prior to the close of the Offers, there would be 269,671,601 HKRH Shares in issue. On the basis of the Share Offer Price being HK\$0.70 per Share, the entire issued share capital of HKRH would be valued at approximately HK\$188,770,120.70.

Assuming there is no change in the issued share capital of HKRH and none of the Convertible Bonds is converted but all the 1,050,000 outstanding Options are fully exercised prior to the close of the Offers, there would be 270,721,601 HKRH Shares in issue. On the basis of the Share Offer Price being HK\$0.70 per HKRH Share, the entire issued share capital of HKRH would be valued at approximately HK\$189,505,120.70.

Assuming there is no change in the issued share capital of HKRH, none of the Convertible Bonds is converted and none of the outstanding Options is exercised prior to the close of the Offers, excluding the 136,157,000 HKRH Shares which will be owned by the Offeror upon Completion and the 2,447,918 HKRH Shares already owned by the Offeror Concert Parties as at the date of this joint announcement, 131,066,683 HKRH Shares will be subject to the Share Offer and 1,050,000 outstanding Options will be subject to the Option Offer, which in aggregate are valued at approximately HK\$91,746,688.60.

Confirmation of financial resources available for the Offers

Assuming all of the outstanding Options are exercised before the close of the Offers, HKRH will have to issue 1,050,000 new HKRH Shares. Assuming the Share Offer, including in respect of such new HKRH Shares issued upon the exercise of such exercisable Options, is accepted in full, the maximum amount payable by the Offeror to satisfy the total consideration under the Sale and Purchase Agreements and the consideration for the Offers is approximately HK\$278,791,578.10, which will be funded by internal resources of the Offeror.

Assuming none of the outstanding Options is exercised before the close of the Offers and that the Offers are accepted in full, the maximum amount payable by the Offeror to satisfy the total consideration under the Sale and Purchase Agreements and the consideration for the Offers is approximately HK\$278,056,578.10, which will be funded by internal resources of the Offeror.

Optima Capital Limited, being the financial adviser to the Offeror in respect of the Offers, is satisfied that sufficient financial resources are available to the Offeror to satisfy the maximum cash consideration payable by the Offeror for all the Sale Shares and upon full acceptance of the Offers.

Effect of accepting the Offers

By accepting the Share Offer, the relevant HKRH Shareholder will be deemed to warrant that all Offer Shares to be sold by such person under the Share 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 all dividends, distributions and any return of capital, if any, which may be paid, made or declared or agreed to be made or paid thereon or in respect thereof on or after the date on which the Share Offer is made, being the date of despatch of the Composite Document.

By accepting the Option Offer, the relevant HKRH Optionholder will be deemed to agree to the cancellation of the Options to be tendered by such person under the Option Offer and all rights attached thereto with effect from the date on which the Option Offer are made, being the date of despatch of the Composite Document.

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

Stamp duty

The seller's Hong Kong ad valorem stamp duty payable by the HKRH Shareholders who accept the Share Offer and calculated 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 Share Offer, will be deducted from the amount payable by the Offeror to such person on acceptance of the Share Offer.

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

No stamp duty is payable in connection with the acceptance of the Option Offer.

Settlement

Payment in cash in respect of acceptances of the Offers will be made within seven (7) business days (as defined under the Takeovers Code) following the date on which a duly completed acceptance of the Share Offer and/or Option Offer was received. Relevant documents of title in respect of such acceptances must be received by the Offeror (or its agent) to render each acceptance of the Share Offer and/or Option Offer complete and valid. No fractions of a cent will be payable and the amount of the consideration payable to a HKRH Shareholder or an HKRH Optionholder who accepts the Share Offer or Option Offer (as the case may be) will be rounded up to the nearest cent.

Taxation advice

HKRH Shareholders and HKRH Optionholders 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(s). None of the Offeror and the Offeror Concert Parties, HKRH, and their respective directors, officers, agents or associates or any other person involved in the Offer(s) accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer(s).

Overseas HKRH Shareholders

The availability of the Offers to persons who are not residents in Hong Kong or who have registered addresses outside Hong Kong may be affected by the applicable laws of the relevant jurisdiction in which they reside. Overseas HKRH Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should fully observe all applicable legal or regulatory requirements and, where necessary, seek their own legal advice. It is the responsibility of the Overseas HKRH Shareholders who wish to accept the Share Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdiction in connection therewith (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 accepting Overseas HKRH Shareholders in respect of such jurisdiction).

In the event that the receipt of the Composite Document by Overseas HKRH Shareholders is prohibited by any applicable laws and regulations or may only be effected upon compliance with conditions or requirements in such overseas jurisdictions that would be unduly burdensome, the Composite Document, subject to the Executive's consent, may not be despatched to such Overseas HKRH Shareholders. The Executive may or may not grant its consent for not despatching the Composite Document to Overseas HKRH Shareholders. The Offeror will apply for any waivers as may be required by the Executive pursuant to Note 3 to Rule 8 of the Takeovers Code at such time.

As at the date of this joint announcement, based on the register of members of HKRH, there is no Overseas HKRH Shareholder.

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

PART D - GENERAL INFORMATION

INFORMATION ON THE OFFEROR

The Offeror is an investment holding company incorporated in Hong Kong with limited liability. The Offeror is an indirect wholly-owned subsidiary of Luk Fook Holdings, which is a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 0590).

Arrangements and Dealing in Securities

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

- (i) save for the Sale and Purchase Agreements and save for the 2,447,918 HKRH Shares as disclosed in the section headed “Shareholding Structure of HKRH”, neither the Offeror nor any of the Offeror Concert Parties owned or had control or direction over any voting rights in HKRH or rights over the HKRH Shares;
- (ii) neither the Offeror nor any of the Offeror Concert Parties had received any irrevocable commitment to accept or decline any of the Offers;
- (iii) save for the Convertible Bonds, neither the Offeror nor any of the Offeror Concert Parties held any convertible securities, warrants or options in respect of the HKRH Shares;
- (iv) neither the Offeror nor any of the Offeror Concert Parties had entered into any outstanding derivative in respect of securities in HKRH;
- (v) save for the Sale and Purchase Agreements, 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 HKRH Shares between the Offeror or any of the Offeror Concert Parties and any other person which might be material to the Offers;
- (vi) save for the Sale and Purchase Agreements, there is no agreement or arrangement to which the Offeror is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or condition to the Offers;
- (vii) neither the Offeror nor any of the Offeror Concert Parties had borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in HKRH;
- (viii) apart from the total consideration for all the Sale Shares under the Sale and Purchase Agreements, the Offeror and the Offeror Concert Parties have not paid and will not pay any other consideration, compensation or benefit in whatever form to Mr. Li, Eminent Rise, Grace Fountain and Excel Horizon and any parties acting in concert with any of them in connection with the sale and purchase of all the Sale Shares;

- (ix) there is no understanding, arrangement or agreement which would constitute a special deal (as defined in Rule 25 of the Takeovers Code) between the Offeror or any Offeror Concert Parties on the one hand, and Mr. Li, Eminent Rise, Grace Fountain and Excel Horizon and any parties acting in concert with any of them on the other hand; and
- (x) save for the Disposal Agreement, there is no other understanding, arrangement or agreement which would constitute a special deal (as defined in Rule 25 of the Takeovers Code) between (1) any HKRH Shareholder or HKRH Optionholder; and (2)(a) the Offeror and the Offeror Concert Parties, or (b) HKRH and its subsidiaries.

SHAREHOLDING STRUCTURE OF HKRH

Set out below is the shareholding structure of HKRH (i) as at the date of this joint announcement; (ii) immediately after Completion and before the Offers are made (assuming none of the outstanding Options has been exercised, none of the Convertible Bonds has been converted and there being no other change in the number of issued HKRH Shares); and (iii) immediately after Completion and before the Offers are made (assuming all the outstanding Options have been exercised, none of the Convertible Bonds has been converted and there being no other change in the number of issued HKRH Shares):

	As at the date of this joint announcement		Immediately after Completion and before the Offers are made (assuming none of the outstanding Options has been exercised and none of the Convertible Bonds has been converted)		Immediately after Completion and before the Offers are made (assuming all the outstanding Options has been exercised and none of the Convertible Bonds has been converted)	
	Number of HKRH Shares	Approximate %	Number of HKRH Shares	Approximate %	Number of HKRH Shares	Approximate %
The Offeror and Offeror Concert Parties						
Offeror	-	-	136,157,000	50.49	136,157,000	50.29
Offeror Concert Parties <i>Note 1</i>	2,447,918	0.91	2,447,918	0.91	2,447,918	0.91
Subtotal	2,447,918	0.91	138,604,918	51.40	138,604,918	51.20
Directors						
Mr. Li	21,157,000 <i>Note 2</i>	7.85	-	-	-	-
Mr. Wang	65,000,000 <i>Note 3</i>	24.10	-	-	-	-
FAN, Anthony Ren Da <i>Note 4</i>	-	-	-	-	87,500 <i>Note 5</i>	0.03
Loke Yu alias Loke Hoi LAM <i>Note 6</i>	-	-	-	-	87,500 <i>Note 7</i>	0.03
Other Substantial Shareholder						
Excel Horizon	50,000,000 <i>Note 8</i>	18.54	-	-	-	-
Well Pop Group Limited	28,000,000 <i>Note 9</i>	10.38	28,000,000 <i>Note 9</i>	10.38	28,000,000 <i>Note 9</i>	10.34
WEN Jialong <i>Note 10</i>	141,548	0.05	141,548	0.05	141,548	0.05
Weltrade Group Limited <i>Note 10</i>	25,105,561	9.31	25,105,561	9.31	25,105,561	9.27
Other public HKRH Shareholders	77,819,574	28.86	77,819,574	28.86	78,694,574	29.08
Total	269,671,601	100	269,671,601	100	270,721,601	100

Notes:

- These HKRH Shares comprise (i) 1,125,000 HKRH Shares held by Luk Fook H; (ii) 797,499 HKRH Shares held by Luk Fook 3DM; (iii) 145,785 HKRH Shares held by Mr. Wong Wai Sheung, an executive director of Luk Fook Holdings; (iv) 41,600 HKRH Shares held by Mr. Tse Moon Chuen, an executive director of Luk Fook Holdings; (v) 20,500 HKRH Shares held by Ms. Wong Hau Yeung, an executive director of Luk Fook Holdings; (vi) 25,000 HKRH Shares held by Dr. Chan So Kuen, an executive director of Luk Fook Holdings; (vii) 150,034 HKRH Shares held by Mr. HUI Chiu Chung, JP, a non-executive director of Luk Fook Holdings; and (viii) 142,500 HKRH Shares held by the spouse of Mr. HUI Chiu Chung, JP.
- These HKRH Shares comprise (i) 21,000,000 HKRH Shares held by Eminent Rise, a company wholly owned by Mr. Li; and (ii) 157,000 HKRH Shares beneficially held by Mr. Li.
- These HKRH Shares represent 65,000,000 HKRH Shares held by Grace Fountain, a company wholly owned by Mr. Wang.
- Dr. FAN, Anthony Ren Da is an independent non-executive director of HKRH.

5. *These HKRH Shares represent 87,500 HKRH Shares upon the exercise of all the outstanding Options at the exercise price of HK\$3.232 per HKRH Share, held by Dr. FAN, Anthony Ren Da.*
6. *Dr. Loke Yu alias Loke Hoi LAM is an independent non-executive director of HKRH.*
7. *These HKRH Shares represent 87,500 HKRH Shares upon the exercise of all the outstanding Options at the exercise price of HK\$3.232 per HKRH Share, held by Dr. Loke Yu alias Loke Hoi LAM.*
8. *Excel Horizon is a company wholly-owned by Mr. Duan. As such, Mr. Duan is deemed to be interested in all the HKRH Shares held by Excel Horizon.*
9. *Well Pop Group Limited is a company wholly-owned by Ms. HAO Yuanyuan. As such, Ms. HAO Yuanyuan is deemed to be interested in all the HKRH Shares held by Well Pop Group Limited.*
10. *The HKRH Shares are held by Weltrade Group Limited. Weltrade Group Limited is a company wholly-owned by Kerui Jinrong Company Limited. Keru Jinrong Company Limited is in turn owned by Mr. ZHENG Yue Wen, Mr. XIANG Hong and Hallow King Global Investment Limited as to 40%, 20% and 40% respectively. Hallow King Global Investment Limited is an entity wholly-owned by Mr. WEN Jialong. As such, Mr. ZHENG Yue Wen and Mr. WEN Jialong are deemed to be interested in all the shares held by Weltrade Group Limited.*
11. *Save as disclosed above, no other directors of HKRH held any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of HKRH as at the date of this joint announcement.*
12. *The above calculations were based on percentages rounded up to the nearest 2 decimal places. As such, the rounding difference may cause a slight change in the actual shareholding.*

INFORMATION ON THE HKRH GROUP

HKRH was incorporated in Bermuda as a company with limited liability. HKRH is an investment holding company, and its subsidiaries are principally engaged in (i) the retail sales and franchising operations for gold and jewellery products in Hong Kong and Mainland China; (ii) the wholesaling and contracting operations of gold and jewellery products in Mainland China; and (iii) new media marketing service business in Mainland China.

On 4 May 2023, HKRH has obtained an interest-bearing loan of HK\$10,000,000 from an Independent Third Party (“**May 2023 Loan**”) principally engaged in money lending business, which is secured by (i) a debenture by way of first fixed and floating charge over all the undertaking, property and assets of HKRH provided by HKRH in favour of the lender; and (ii) personal guarantees provided by Mr. Li and Mr. Wang pursuant to the relevant financing documents. Due to the restrictions contained in the financing documents prohibiting transactions such as the Acquisition and the Disposal, Luk Fook Finance Company Limited, a subsidiary of Luk Fook Holdings, has entered into a loan agreement with HKRH to provide funding to HKRH to repay the principal amount of the May 2023 Loan. For further details, please refer to the announcement of HKRH dated 28 July 2023.

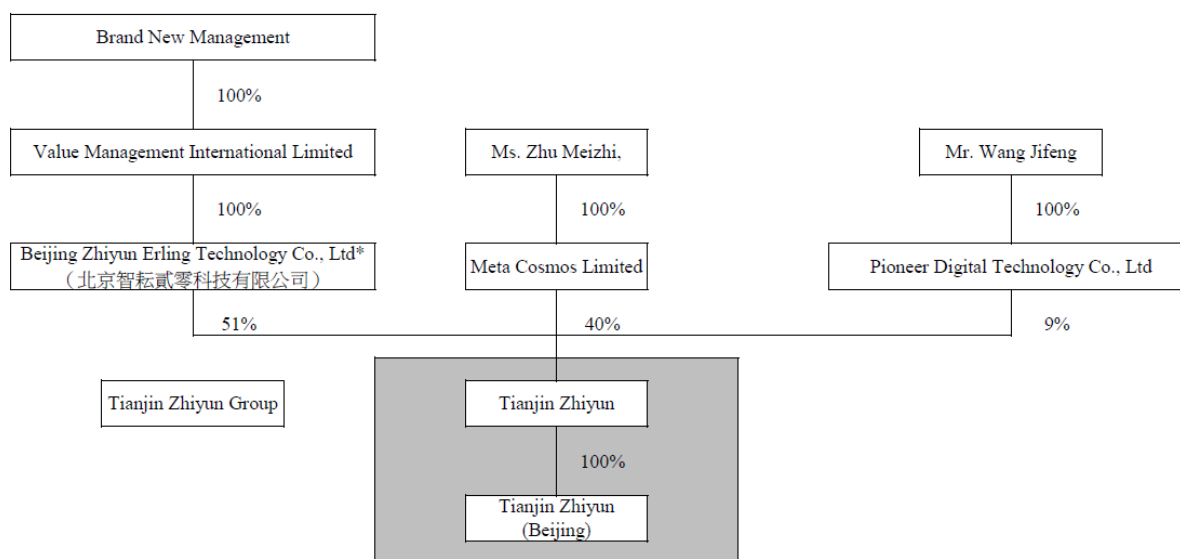
The audited financial results of HKRH for the two years ended 30 June 2022 are as follows:

	For year ended 30 June 2021 <i>HK\$'000</i>	For year ended 30 June 2022 <i>HK\$'000</i>
Loss before tax	8,628	129,759
Loss after tax	13,977	116,804

As at 31 December 2022, the unaudited consolidated net liabilities value of HKRH was approximately HK\$279,304,000.

INFORMATION ON BRAND NEW MANAGEMENT AND ITS SUBSIDIARIES ENGAGED IN THE NEW MEDIA MARKETING BUSINESS

Brand New Management was incorporated in BVI with limited liability in 2007 and is a direct wholly-owned subsidiary of HKRH as at the date of this joint announcement. Brand New Management is an investment holding company and its major operating subsidiaries are principally engaged in new media marketing service business in Mainland China. Set out below is the shareholding structure of the New Media Marketing Business of Brand New Management as at the date of this joint announcement.



As at the date of the Disposal Agreement, Brand New Management held the entire issued share capital of Value Management International Limited (“**Value Management**”), a company incorporated in Hong Kong on 30 March 2020 with limited liability and is principally engaged in investment holding. Value Management held the entire 100% registered capital of Beijing Zhiyun Erling Technology Co., Ltd* (北京智耘贰零科技有限公司) (“**Beijing Zhiyun**”). Beijing Zhiyun owned 51% of Tianjin Zhiyun Erling Technology Co., Ltd.* (天津智耘贰零科技有限公司) (“**Tianjin Zhiyun**”) which in turn wholly owned Tianjin Zhiyun Erling Technology Co., Ltd. Beijing Branch* (天津智耘贰零科技有限公司北京分公司) (“**Tianjin Zhiyun (Beijing)**”). The New Media Marketing Business of HKRH was mainly carried out by Tianjin Zhiyun and Tianjin Zhiyun (Beijing).

Tianjin Zhiyun is a company established in the PRC on 19 November 2021 with limited liability and is principally engaged in the provision of mobile media marketing services. As at the date of this joint announcement, Tianjin Zhiyun is an indirect non-wholly owned subsidiary of HKRH and is owned as to 51% by Beijing Zhiyun, 40% by Meta Cosmos Limited and 9% by Pioneer Digital Technology Co., Limited. Meta Cosmos Limited is wholly-owned by Ms. Zhu Meizhi, a PRC national and an Independent Third Party, while Pioneer Digital Technology Co., Limited is wholly-owned by Mr. Wang Jifeng, a PRC national who is also the deputy general manager of Tianjin Zhiyun.

Tianjin Zhiyun (Beijing) is a company established in the PRC with limited liability and is principally engaged in the provision of mobile media marketing services. It is a wholly-owned subsidiary of the Tianjin Zhiyun.

The unaudited financial results of Brand New Management for the two years ended 30 June 2022 are as follows:

	For the year ended 30 June 2021 <i>HK\$ '000</i>	For the year ended 30 June 2022 <i>HK\$ '000</i>
Net loss before tax	89,789	8
Net loss after tax	89,789	8

As at 31 December 2022, the unaudited consolidated net asset value of Brand New Management was approximately HK\$7,201,000.

Set out below is a summary of the consolidated key financial data of the Tianjin Zhiyun and Tianjin Zhiyun (Beijing), based on the unaudited consolidated financial statements prepared in accordance with the Hong Kong Financial Reporting Standard for the period commencing from 19 November 2021 (the date of incorporation) and 31 December 2022.

	For the period commencing from the date of incorporation ended 31 December 2021 (unaudited) <i>HK\$ '000</i>	For year ended 31 December 2022 (unaudited) <i>HK\$ '000</i>
Net profit before tax	1,021	4,406
Net profit after tax	996	4,306

As at 31 December 2022, the unaudited consolidated net asset value of Tianjin Zhiyun and Tianjin Zhiyun (Beijing) was approximately HK\$6,479,000.

Subject to final audit, it is expected that the HKRH Group will not record any material gain or loss on disposal as the Disposal Consideration is subject to adjustment on a dollar-for-dollar basis at the net asset value of the Disposal Group as shown on the Disposal Certificate. Given that the Disposal Consideration, will be set off against Mr. Li's Shareholder's Loan on a dollar-for-dollar basis on the day of the Disposal Completion, HKRH may not actually receive any proceeds from the Disposal. If Mr. Li's Shareholder's Loan is less than the Disposal Consideration, HKRH intends to use the proceeds from the Disposal for its general working capital.

Pursuant to Rule 10 of the Takeovers Code, the above unaudited financial information relating to the Disposal Group constitutes a profit forecast and should be reported on by HKRH's financial advisers and reporting accountants under Rule 10.4 of the Takeovers Code. However, as the auditors and financial adviser of HKRH will require additional time to report on the Required Financial Information and the Financial Effect (both as defined in the section headed "LISTING RULES AND TAKEOVERS CODE IMPLICATIONS" in this joint announcement) in compliance with the requirements of Rule 10 of the Takeovers Code, the Required Financial Information and the Financial Effect disclosed in this joint announcement, which are required by Rules 14.58(6), 14.58(7) and Rule 14.60(3)(a) of the Listing Rules, have not been prepared as required by Rule 10 of the Takeovers Code.

According to Practice Note 2 to the Takeovers Code on issues relating to profit forecasts under Rule 10 of the Takeovers Code dated 31 March 2015, as the only reason for the disclosure of these unaudited figures is the requirement of the Listing Rules, the Executive is prepared to permit publication of the Required Financial Information in this joint announcement without full compliance with Rule 10 of the Takeovers Code. HKRH Shareholders and potential investors should, however, exercise caution in placing reliance on the Required Financial Information in assessing the merits and demerits of the Disposal. The Required Financial Information will be reported on as soon as possible and the relevant reports will be contained in the next document to be sent to the HKRH Shareholders (i.e. the circular of HKRH) and in compliance with the requirements of Rule 10 of the Takeovers Code.

REASONS FOR AND BENEFIT OF THE ACQUISITION, THE OFFERS AND THE DISPOSAL AGREEMENT

(i) Luk Fook Holdings

Luk Fook Holdings is committed to optimising its business structure and strengthen its core businesses, with a focus on sourcing, designing, wholesaling, trademark licensing and retailing of a variety of gold and platinum jewellery and gem-set jewellery products. As at the date of this joint announcement, CGS is a subsidiary of HKRH carrying on the retailing and franchising business of "3DG Jewellery" brand, and is owned as to 50% by HKRH and 50% by Luk Fook 3DM, being an indirect wholly-owned subsidiary of Luk Fook Holdings. The acquisition of a significant stake in HKRH and in turn consolidated Luk Fook Holdings' control as to the business and brand of "3DG Jewellery" through the Acquisition and, potentially, the Offers can unleash the potential of the brand of "3DG Jewellery" and synergize with the business of Luk Fook Holdings to optimise its business structure.

The directors of Luk Fook Holdings consider that the Acquisition and the Offers were entered into on an arm's length basis and on normal commercial terms and are fair and reasonable and are in the interest of Luk Fook Holdings and the shareholders of Luk Fook Holdings Group taken as a whole.

(ii) HKRH

The board of directors of HKRH believes that the introduction of the Luk Fook Holdings Group as the new controlling shareholder of HKRH and the related Offers are likely to assist HKRH by benefiting from Luk Fook Holdings Group's financial strength and their expertise in the jewellery market. Further, HKRH could collaborate with Luk Fook Holdings Group to enhance the operational efficiency and value of existing business as well as explore opportunities of future potential projects.

Pursuant to the Sale and Purchase Agreements, it is conditionally agreed between the Vendors and the Offeror that the New Media Marketing Business shall be disposed of by HKRH to Mr. Li so that it will no longer be part of the Retained HKRH Group after the Disposal Completion and the Completion. The Disposal Completion shall take place contemporaneously with the Completion. The main reason for separating the New Media Marketing Business and the Retained HKRH Business is that, during the negotiations between the parties to the Sale and Purchase Agreements, the Offeror has expressed its intention to retain the Retained HKRH Business and to dispose of the New Media Marketing Business while Mr. Li has expressed his intention to retain the New Media Marketing Business.

Having considered the above, the Board considers that the Disposal will facilitate the Completion and, accordingly, the Share Offer to the HKRH Shareholders.

The Disposal Agreement was negotiated between the directors of HKRH (excluding Mr. Li, being the interested director and the independent non-executive directors) and Mr. Li on an arm's length basis and based on normal commercial terms. The Disposal Consideration of HK\$9.0 million was determined mainly by the unaudited net asset value of the Disposal Group as at 31 May 2023 and the future prospects of the New Media Marketing Business.

After having actively participated in the management of the new media marketing service business of the subsidiaries of Brand New Management since December 2021, HKRH has noted that it might heavily strain HKRH Group's resources to cater for the lengthy time and substantial investment required to build up a sizeable and sustainable business network for the new media marketing service business. The Disposal will enable the HKRH Group to focus more resources on its retailing, franchising and wholesaling businesses of gold and jewellery products.

The directors of HKRH (excluding Mr. Li, being the interested director and the non-executive directors and the independent non-executive directors of HKRH whose views will be given after taking into account the advice to be provided by the Independent Financial Adviser) consider that the Disposal Agreement and the transaction contemplated thereunder was, in the context of the Acquisition and the Offers taken as a whole, entered into on an arm's length basis and on normal commercial terms and are fair and reasonable and are in the interest of HKRH and HKRH Shareholders taken as a whole.

INTENTION OF THE OFFEROR IN RELATION TO THE HKRH GROUP

Upon completion of the Offers, the Offeror will conduct a review of the existing principal businesses and the financial position of the HKRH Group for the purpose of formulating business plans and strategies for the future business development of the HKRH Group. Subject to the results of the review, the Offeror may explore other business opportunities and consider whether any asset disposals, asset acquisitions, business rationalisation, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance the long-term growth potential of the HKRH Group. Should such corporate actions materialise, further announcement(s) will be made as and when appropriate in accordance with the Listing Rules.

Save for the Disposal Agreement, the Offeror has no plan to cease any existing businesses of the HKRH Group or to dispose any material assets of the HKRH Group. The Offeror will review the existing capital structure and working capital requirement of the HKRH Group and if necessary, will consider different alternatives to strengthen the capital base of HKRH for any future expansion.

COMPOSITION OF THE BOARD OF HKRH

The Offeror intends to nominate new directors to the board of directors of HKRH with effect from the earliest time permitted under the Takeovers Code. Any changes to the board of directors of HKRH will be made in compliance with the Takeovers Code and the Listing Rules and further announcement will be made as and when appropriate.

MAINTAINING THE LISTING STATUS OF HKRH

The Offeror has no intention to privatise the HKRH Group and intends to maintain the listing of the HKRH Shares on the Stock Exchange. The Offeror will undertake to the Stock Exchange to take appropriate steps to ensure that not less than 25% of the issued HKRH Shares will be held by the public at all times following the close of the Offers.

Pursuant to the Listing Rules, if, after the close of the Offers, less than the minimum prescribed percentage applicable to HKRH, being 25%, of the issued HKRH 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 HKRH Shares; or
- (ii) there are insufficient HKRH Shares in public hands to maintain an orderly market,

the Stock Exchange will consider exercising its discretion to suspend trading in the HKRH Shares.

In this connection, it should be noted that following the close of the Offers, there might be insufficient public float of the HKRH Shares and therefore, trading in the HKRH Shares might be suspended until sufficient public float is restored for the HKRH Shares. The Offeror and HKRH will take appropriate steps following the close of the Offers to ensure that sufficient public float as required under the Listing Rules exists for the HKRH Shares.

INDEPENDENT BOARD COMMITTEES OF HKRH AND INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 2.1 of the Takeovers Code, the Code IBC of HKRH comprising non-executive director of HKRH, Mr. HU Hongwei and all independent non-executive Directors, namely Dr. Loke Yu alias Loke Hoi LAM, Dr. FAN, Anthony Ren Da and Mr. CHAN Kim Sun, has been established by the board of directors of HKRH to advise (i) the Independent HKRH Shareholders as to whether the terms of the Share Offer are fair and reasonable and as to its acceptance; (ii) the Independent HKRH Optionholders as to whether the terms of the Option Offer are fair and reasonable and as to their acceptances; and (iii) the Independent HKRH Shareholders as to whether the terms of the Special Deal are fair and reasonable and as to the voting action at the HKRH SGM.

Pursuant to the Listing Rules, the Listing Rules IBC comprising all the independent non-executive directors of HKRH, namely Dr. Loke Yu alias Loke Hoi LAM, Dr. FAN, Anthony Ren Da and Mr. CHAN Kim Sun has been established by the board of directors of HKRH to advise the Independent HKRH Shareholders as to whether the terms of the Disposal Agreement are fair and reasonable.

Nuada has been appointed as the Independent Financial Adviser to advise the Independent Board Committees of HKRH in respect of (i) the Offers and, in particular, as to whether the Offers are fair and reasonable and as to acceptance; and (ii) the Disposal Agreement and, in particular, as to whether the terms of the Disposal Agreement are fair and reasonable. The Independent Board Committees of HKRH have approved the appointment of Nuada as the Independent Financial Adviser pursuant to Rule 2.1 of the Takeovers Code.

LISTING RULES AND TAKEOVERS CODE IMPLICATIONS

(i) Luk Fook Holdings

As the applicable percentage ratios for the Acquisition and the Offers in aggregate are more than 5% but less than 25%, the Acquisition and the Offers together constitute a discloseable transaction for Luk Fook Holdings and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

(ii) HKRH

The Disposal Agreement and the transactions contemplated thereunder constitute a Special Deal. The Disposal Agreement and the transactions contemplated thereunder are therefore subject to the approval of the Independent HKRH Shareholders in general meeting and require the consent of the Executive. An application will be made to the Executive for consent under Rule 25 of the Takeovers Code in relation to the Disposal Agreement and the transactions contemplated thereunder.

Such consent, if granted, will be subject to (i) the Independent Financial Adviser publicly stating that in its opinion the terms of the Disposal Agreement and the transactions contemplated thereunder are fair and reasonable; and (ii) the approval of the Disposal Agreement and the transactions contemplated thereunder by the Independent HKRH Shareholders by way of a poll at the general meeting of HKRH. HKRH Shareholders including (i) Mr. Li, Eminent Rise, Mr. Wang, Grace Fountain, Mr. Duan, Excel Horizon, their respective associates and parties acting in concert with any of them; (ii) the Offeror Concert Parties; and (iii) any other HKRH Shareholders who are involved or interested in the Disposal Agreement, the Sale and Purchase Agreements or the transactions contemplated thereunder, will be required to abstain from voting on the resolution in respect of the Disposal Agreement at the HKRH SGM.

In addition, as one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal is more than 5% but less than 25%, the entering into of the Disposal Agreement and the transaction contemplated thereunder constitute a discloseable transaction on the part of HKRH.

Brand New Management is a wholly-owned subsidiary of HKRH. Mr. Li, beneficially and through Eminent Rise, his controlled corporation, are in aggregate holding 21,157,000 HKRH Shares, representing approximately 7.85% shareholding of the HKRH. Mr. Li is a connected person of the HKRH and the Disposal constitutes a connected transaction for HKRH under Chapter 14A of the Listing Rules. The Disposal Agreement and the transaction contemplated thereunder is subject to reporting, announcement, circular and HKRH Shareholders' approval at the HKRH SGM.

Rules 14.58(6) and 14.58(7) of the Listing Rules require disclosure of the net book value of Brand New Management and its subsidiaries which is the subject of the transaction, and the net profits (both before and after taxation and extraordinary items) attributable to HKRH for the last two financial years (collectively the “**Required Financial Information**”).

Rule 14.60(3)(a) of the Listing Rules requires disclosure of details of the gain or loss expected to accrue to HKRH (the “**Financial Effect**”) and the basis for calculating such gain or loss as a result of the Disposal.

The Required Financial Information and the Financial Effect currently available to HKRH and disclosed in this joint announcement are unaudited figures and would constitute profit forecasts within the meaning of Rule 10 of the Takeovers Code, which would need to be reported on by the auditors and financial adviser of HKRH prior to its release. However, as the auditors and financial adviser of HKRH will require additional time to report on the Required Financial Information and the Financial Effect in compliance with the requirements of Rule 10 of the Takeovers Code, the Required Financial Information and the Financial Effect disclosed in this joint announcement, which are required by Rules 14.58(6), 14.58(7) and Rule 14.60(3)(a) of the Listing Rules, have not been prepared as required by Rule 10 of the Takeovers Code. According to the practice note 2 to the Takeovers Code on issues relating to profit forecasts under Rule 10 of the Takeovers Code dated 31 March 2015, since the only reason for the disclosure of these unaudited figures are due to the requirement of the Listing Rules, the Executive is prepared to permit publication of the Required Financial Information and the Financial Effect in this joint announcement without full compliance with Rule 10 of the Takeovers Code. HKRH Shareholders and potential investors should, however, exercise caution in placing reliance on the Required Financial Information and the Financial Effect in assessing the merits and demerits of the Disposal. The Required Financial Information and the Financial Effect will be disclosed again together with the relevant reports by the financial adviser and auditor of HKRH in the circular to be despatched on or no later than 9 October 2023 and in compliance with the requirements of Rule 10 of the Takeovers Code.

THE HKRH SGM

The HKRH SGM will be convened and held for the Independent HKRH Shareholders to consider and, if thought fit, approve the Disposal Agreement and the transactions contemplated thereunder. HKRH Shareholders including (i) Mr. Li, Eminent Rise, Mr. Wang, Grace Fountain, Mr. Duan, Excel Horizon, their respective associates and parties acting in concert with any of them; (ii) the Offeror Concert Parties; and (iii) any other HKRH Shareholders who are involved or interested in the Disposal Agreement, the Sale and Purchase Agreements or the transactions contemplated thereunder, will be required to abstain from voting on the resolution in respect of the Disposal Agreement at the HKRH SGM.

DESPATCH OF COMPOSITE DOCUMENT AND CIRCULAR

It is the intention of the Offeror and the board of directors of HKRH that the offer document from the Offeror and the offeree board circular from HKRH be combined into a Composite Document.

Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document (accompanied by the form of acceptance and transfer), containing, among other things, (i) the terms and conditions of the Offers; (ii) the expected timetable of the Offers; (iii) a letter of recommendation from the Code IBC of HKRH to the Independent HKRH Shareholders and the Independent HKRH Optionholders in respect of the Offers; and (iv) a letter of advice from the Independent Financial Adviser to the Code IBC of HKRH in respect of the Offers, shall be despatched to the HKRH Shareholders and the HKRH Optionholders within 21 days of the date of this joint announcement or such later date as may be permitted by the Takeovers Code and agreed by the Executive.

It is expected that the Completion and the Offers may not take place within 21 days of the date of this joint announcement. As such, an application will be made to the Executive in respect of Note 2 to Rule 8.2 of the Takeovers Code for its consent to extend the date of posting of the composite offer and response document to the Shareholders within 7 days of the Completion. Further announcement(s) regarding the despatch of the Composite Document will be made by the Offeror and HKRH as and when appropriate.

A circular of HKRH containing, among other things, (i) details of the Disposal Agreement; (ii) the letter of recommendation from the Listing Rules IBC of HKRH in respect of the Disposal Agreement; (iii) the letter of recommendation from the Code IBC of HKRH in respect of the Special Deal; (iv) the letter of advice from the Independent Financial Adviser in respect of the Disposal Agreement; and (v) a notice convening the HKRH SGM will be sent to the HKRH Shareholders on or before 9 October 2023.

HKRH Shareholders and HKRH Optionholders are encouraged to read the circular of HKRH and the Composite Document carefully, including the advice from the Independent Financial Adviser to the Code IBC of HKRH and the recommendation from the Code IBC of HKRH to the Independent HKRH Shareholders and Independent HKRH Optionholders in respect of the Offers, before deciding whether or not to accept the Offers and whether or not to approve the Disposal Agreement, the Special Deal and the transactions contemplated thereunder.

DEALINGS DISCLOSURE

In accordance with Rule 3.8 of the Takeovers Code, associates of HKRH and the Offeror (as defined under the Takeovers Code, including persons owning or controlling 5% or more of any class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of HKRH or the Offeror) are hereby reminded to disclose their dealings in the relevant securities of HKRH pursuant to Rule 22 of the Takeovers Code. In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

“Responsibilities of stockbrokers, banks and other intermediaries

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

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

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

RESUMPTION OF TRADING

At the request of HKRH, trading in the HKRH Shares was halted with effect from 10:23 a.m. on 28 July 2023 pending the publication of this joint announcement. Application has been made by HKRH to the Stock Exchange for the resumption of trading in the HKRH Shares with effect from 9:00 a.m. on 31 July 2023.

WARNING

The Offers will only be made if Completion takes place. Completion is subject to satisfaction and/or waiver, if applicable, of the Conditions contained in the Sale and Purchase Agreements. The Offers therefore may or may not be made. HKRH Shareholders, HKRH Optionholders and potential investors of HKRH are advised to exercise extreme caution when dealing in the securities of HKRH, and if they are in any doubt about their position, they should consult their professional advisers. This joint announcement is made in compliance with the Takeovers Code for the purpose of, among other things, informing the HKRH Shareholders, HKRH Optionholders and potential investors of HKRH of the possibility that the Offers may be made.

DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Shares and the Convertible Bonds pursuant to the terms and conditions of the Sale and Purchase Agreements
“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
“Brand New Management”	Brand New Management Limited, a company incorporated in BVI with limited liability and a direct wholly-owned subsidiary of HKRH as at the date of this joint announcement
“Brand New Management Sale Share”	the entire issued share capital in Brand New Management
“BVI”	the British Virgin Islands
“CGS”	China Gold Silver Group Company Limited (中國金銀集團有限公司), a company incorporated in BVI with limited liability and a subsidiary of HKRH, which is owned as to 50% by HKRH and 50% by Luk Fook 3DM
“Code IBC”	an independent committee of the board of directors of HKRH comprising non-executive director of HKRH, Mr. HU Hongwei and all independent non-executive directors of HKRH established for the purpose of advising (i) the Independent HKRH Shareholders as to whether the terms of the Share Offer are fair and reasonable and as to its acceptance; (ii) the Independent HKRH Optionholders as to whether the terms of the Option Offer are fair and reasonable and as to their acceptances; and (iii) the Independent HKRH Shareholders as to whether the terms of the Special Deal are fair and reasonable and as to the voting action at the HKRH SGM
“Completion”	completion of the sale and purchase of the Sale Shares and, in the case of the Grace Fountain Sale and Purchase Agreement, the assignment of the First Convertible Bonds and, in the case of the Excel Horizon Sale and Purchase Agreement, the assignment of the Second Convertible Bonds in accordance with the Sale and Purchase Agreements

“Completion Date”	such date as may be agreed in writing among the parties to the Sale and Purchase Agreements following written notification by the Offeror to (i) Eminent Rise and Mr. Li; (ii) Grace Fountain; and/or (iii) Excel Horizon (as the case may be) of the fulfilment to the satisfaction of the Offeror (or waiver) of the Conditions (and which shall take place in any event within 14 days after the date of actual fulfilment to the satisfaction of the Offeror (or waiver)) simultaneously with completion of the Disposal Agreement and completion of the Sale and Purchase Agreements
“Composite Document”	the composite offer and response document to be jointly issued by the Offeror and HKRH in accordance with the Takeovers Code containing, among other things, details of the Offers, the recommendation from the Code IBC of HKRH to the Independent HKRH Shareholders and Independent HKRH Optionholders and the advice from the Independent Financial Adviser to the Code IBC of HKRH in respect of the Offers
“Condition(s)”	the condition(s) set out in the paragraph headed “Conditions under the Sale and Purchase Agreements” under Part A of this joint announcement
“connected person”	has the meaning ascribed to it under the Listing Rules
“Convertible Bonds”	collectively, the First Convertible Bonds and the Second Convertible Bonds
“Disposal”	the disposal of Brand New Management Sale Share pursuant to the Disposal Agreement
“Disposal Agreement”	the conditional agreement dated 28 July 2023 entered into between HKRH and Mr. Li in respect of the sale and purchase of the Brand New Management Sale Share
“Disposal Certificate”	the written certificate, to be issued by the auditors of HKRH or such qualified accountant in Hong Kong jointly appointed by HKRH and Mr. Li, showing the net asset value of the Disposal Group as at the consolidated audited accounts of Brand New Management as at 30 June 2023
“Disposal Completion”	the completion of the sale and purchase of the Brand New Management Sale Share pursuant to the Disposal Agreement
“Disposal Condition(s)”	the condition(s) set out in the paragraph headed “Conditions under the Disposal Agreement” under Part B of this joint announcement
“Disposal Consideration”	the consideration payable by Mr. Li to HKRH for the purchase of the Brand New Management Sale Share under the Disposal Agreement

“Disposal Group”	Brand New Management and its subsidiaries to be disposed of by HKRH under the Disposal Agreement
“Eminent Rise”	Eminent Rise Holdings Limited, a company incorporated in BVI and wholly owned by Mr. Li
“Eminent Rise Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 28 July 2023 entered into among the Offeror, Mr. Li and Eminent Rise in respect of the sale and purchase of the Eminent Rise Sale Shares
“Eminent Rise Sale Shares”	collectively, 21,000,000 HKRH Shares to be acquired by the Offeror from Eminent Rise pursuant to the terms of the Eminent Rise Sale and Purchase Agreement; and “Eminent Rise Sale Share” means any one of them
“Encumbrances”	any claim, mortgage, charge, pledge, lien, restriction, assignment, power of sale, hypothecation, security interest, title retention, trust arrangement, subordination arrangement, contractual right of set-off or any other agreement or arrangement the effect of which is the creation of security, or any other interest, equity or other right of any person (including any right to acquire, option, right of first refusal or right of pre-emption), or any agreement, arrangement or obligation to create any of the same
“Excel Horizon”	Excel Horizon Investments Limited, a company incorporated in BVI and wholly owned by Mr. Duan
“Excel Horizon Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 28 July 2023 entered into among the Offeror, Excel Horizon and Mr. Duan in respect of the sale and purchase of the Excel Horizon Sale Shares and the Second Convertible Bonds
“Excel Horizon Sale Shares”	collectively, 50,000,000 HKRH Shares to be acquired by the Offeror from Excel Horizon pursuant to the terms of the Excel Horizon Sale and Purchase Agreement; and “Excel Horizon Sale Share” means any one of them
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“First Convertible Bonds”	the 4% per annum convertible bonds due 2023 in the aggregate principal amount of HK\$52,000,000 issued by HKRH on 12 November 2021 which may be converted into 80,000,000 HKRH Shares at the current conversion price of HK\$0.65 per conversion share, which is held by Grace Fountain
“Grace Fountain”	Grace Fountain Holdings Limited, a company incorporated in BVI and wholly owned by Mr. Wang

“Grace Fountain Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 28 July 2023 entered into among the Offeror, Grace Fountain and Mr. Wang in respect of the sale and purchase of the Grace Fountain Sale Shares and the First Convertible Bonds
“Grace Fountain Sale Shares”	collectively, 65,000,000 HKRH Shares to be acquired by the Offeror from Grace Fountain pursuant to the terms of the Grace Fountain Sale and Purchase Agreement; and “Grace Fountain Sale Share” means any one of them
“HKRH”	Hong Kong Resources Holdings Company Limited (香港資源控股有限公司), a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 2882)
“HKRH Group”	HKRH and its subsidiaries from time to time
“HKRH SGM”	the special general meeting of HKRH, intended to be convened and held on or before 27 October 2023 to consider and, if thought fit, to approve the Disposal Agreement and the transactions contemplated thereunder
“HKRH Share(s)”	ordinary share(s) in the share capital of HKRH
“HKRH Shareholder(s)”	holder(s) of the HKRH Share(s)
“HKRH Optionholder(s)”	the holder(s) of the outstanding Option(s)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committees”	collectively, the Code IBC and the Listing Rules IBC
“Independent Financial Adviser” or “Nuada”	Nuada Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, appointed by HKRH as the independent financial adviser for the purpose of advising the Independent Board Committees of HKRH in respect of (i) the Offers and in particular as to whether the terms of the Offers are fair and reasonable and as to acceptance of the Offers; and (ii) the Disposal Agreement and in particular as to whether the terms of the Disposal Agreement are fair and reasonable
“Independent HKRH Optionholders”	the HKRH Optionholders other than the Offeror and the Offeror Concert Parties

“Independent HKRH Shareholders”	the HKRH Shareholders other than the Offeror and the Offeror Concert Parties
“Independent Third Party(ies)”	third party(ies) who is not a connected person of Luk Fook Holdings or HKRH (as the case may be)
“Last Full Trading Day”	27 July 2023, being the last full trading day on which the HKRH Shares were traded on the Stock Exchange immediately prior to the Last Trading Day
“Last Trading Day”	28 July 2023, being the last trading day on which the HKRH Shares were traded on the Stock Exchange before trading in the HKRH Shares was halted with effect from 10:23 a.m. on 28 July 2023 pending the publication of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Listing Rules IBC”	an independent committee of the board of directors of HKRH comprising all independent non-executive directors of HKRH established for the purpose of advising the Independent HKRH Shareholders in respect of the Disposal Agreement and in particular whether the terms of the Disposal Agreement are fair and reasonable
“Luk Fook 3DM”	Luk Fook 3D Management Company Limited (六福 3D 管理有限公司), a company incorporated in BVI with limited liability and an indirect wholly-owned subsidiary of Luk Fook Holdings
“Luk Fook H”	Luk Fook Holdings Company Limited (六福集團有限公司), a company incorporated in Hon Kong with limited liability and an indirect wholly-owned subsidiary of Luk Fook Holdings
“Luk Fook Holdings”	Luk Fook Holdings (International) Limited (六福集團 (國際) 有限公司), a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 0590).
“Luk Fook Holdings Group”	Luk Fook Holdings and its subsidiaries from time to time
“Long Stop Date”	30 November 2023 (or such other date as the parties to the Sale and Purchase Agreements may from time to time agree in writing)
“Mainland China”	Mainland China of the PRC

“Material Adverse Change”	any change, event, circumstance or other matter that has, or would reasonably be expected to have, either individually or in the aggregate, a material adverse effect on (i) the ability of parties to the Sale and Purchase Agreements (except for the Offeror) or HKRH to perform its respective obligations under the Sale and Purchase Agreements and the related transaction documents; or (ii) the business, assets and liabilities, financial condition, results of operations or prospects of HKRH
“Mr. Duan”	Mr. DUAN Guangzhi, a substantial shareholder of HKRH
“Mr. Li”	Mr. LI Ning, the chairman of the board of directors of HKRH and an executive director of HKRH and a substantial shareholder of HKRH
“Mr. Li Sale Shares”	collectively, 157,000 HKRH Shares to be acquired by the Offeror from Mr. Li pursuant to the terms of the Eminent Rise Sale and Purchase Agreement; and “Mr. Li Sale Share” means any one of them
“Mr. Li’s Shareholder Loan”	the shareholder loan advanced and to be advanced by Mr. Li to HKRH before the Disposal Completion, and as at 30 June 2023, Mr. Li’s Shareholder Loan amounted to HK\$1,819,300.73
“Mr. Wang”	Mr. WANG Chaoguang, the co-chairman of the board of directors of HKRH and an executive director of HKRH and a substantial shareholder of HKRH
“New Media Marketing Business”	the new media marketing service business in Mainland China carried out by the subsidiaries of Brand New Management
“Offer Share(s)”	all the issued HKRH Shares other than those already owned or agreed to be acquired by the Offeror and the Offeror Concert Parties when the Share Offer is made
“Offeror”	Luk Fook 3D Investment Holding Company Limited (六福至尊投資集團有限公司), a company incorporated in Hon Kong with limited liability and an indirect wholly-owned subsidiary of Luk Fook Holdings
“Offeror Concert Parties”	any parties acting in concert, or presumed to be acting in concert, with the Offeror under the definition of “acting in concert” under the Takeovers Code
“Offers”	the Share Offer and the Option Offer
“Option(s)”	the share option(s) granted by HKRH on 12 January 2018, pursuant to the Share Option Scheme which entitle holders thereof to subscribe for the HKRH Shares in accordance with the terms and conditions thereof

“Option Offer”	the possible unconditional mandatory cash offer by Optima Capital Limited for and on behalf of the Offeror to cancel all outstanding Options in accordance with the Takeovers Code
“Overseas HKRH Shareholders”	HKRH Shareholders whose addresses as shown on the register of members of HKRH are outside Hong Kong
“PRC”	the People’s Republic of China
“Retained HKRH Business”	the retail sales and franchising operations for gold and jewellery products in Hong Kong and Mainland China; and the wholesaling and contracting operations of gold and jewellery products in Mainland China
“Retained HKRH Group”	group of companies comprising HKRH and its subsidiaries upon completion of the disposal of Brand New Management
“Sale and Purchase Agreements”	collectively, the Eminent Rise Sale and Purchase Agreement, the Grace Fountain Sale and Purchase Agreement and the Excel Horizon Sale and Purchase Agreement
“Sale Shares”	collectively, the Eminent Rise Sale Shares, Mr. Li Sale Shares, Grace Fountain Sale Shares and Excel Horizon Sale Shares
“Second Convertible Bonds”	the 4% per annum convertible bonds due 2023 in the aggregate principal amount of HK\$32,500,000 issued by HKRH on 6 December 2021 which may be converted into 50,000,000 HKRH Shares at the current conversion price of HK\$0.65 per conversion share, which is held by Excel Horizon
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Offer”	the possible unconditional mandatory cash offer by Optima Capital Limited for and on behalf of the Offeror to acquire all issued HKRH Shares in HKRH (other than those already owned or agreed to be acquired by the Offeror and the Offeror Concert Parties) in accordance with the Takeovers Code
“Share Offer Price”	the price at which the Share Offer will be made, being HK\$0.70 per Offer Share
“Share Option Scheme”	the share option scheme of HKRH approved and adopted on 23 January 2009
“Special Deal”	the Disposal, which constitutes special deal for HKRH under Rule 25 of the Takeovers Code

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“trading day”	a day on which the Stock Exchange is open for the business of dealings in securities
“Vendors”	Mr. Li, Eminent Rise, Grace Fountain and Excel Horizon
“%”	per cent.

* The English transliteration of the Chinese names in this joint announcement, where indicated, is included for information only, and should not be regarded as the official English names of such Chinese names.

By order of the board of
directors of
**Luk Fook Holdings
(International) Limited**
WONG Wai Sheung
*Chairman &
Chief Executive Officer*

By order of the board of
directors of
**Hong Kong Resources
Holdings Company Limited**
LI Ning
Chairman

By order of the board of
directors of
**Luk Fook 3D Investment
Holding Company Limited**
WONG Wai Sheung
Director

Hong Kong, 28 July 2023

As at the date of this joint announcement, Luk Fook Holdings’ executive directors are Mr. WONG Wai Sheung (Chairman and Chief Executive Officer), Mr. TSE Moon Chuen (Deputy Chairman), Ms. WONG Hau Yeung, Ms. WONG Lan Sze, Nancy and Dr. CHAN So Kuen; the non-executive directors are Mr. WONG Ho Lung, Danny (Deputy Chairman), Mr. HUI Chiu Chung, JP and Mr. LI Hon Hung, BBS, MH, JP; the independent non-executive directors are Mr. IP Shu Kwan, Stephen, GBS, JP, Mr. MAK Wing Sum, Alvin, Ms. WONG Yu Pok, Marina, JP and Mr. HUI King Wai.

The directors of Luk Fook Holdings jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the HKRH Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the directors of HKRH) 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, HKRH’s executive directors are Mr. LI Ning (Chairman) and Mr. WANG Chaoguang (Co-chairman); the non-executive director is Mr. HU Hongwei; the independent non-executive directors are Dr. Loke Yu alias Loke Hoi LAM, Dr. FAN, Anthony Ren Da and Mr. CHAN Kim Sun.

The directors of HKRH 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 the Offeror Concert Parties), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the directors of Luk Fook Holdings and the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.

As at the date of this joint announcement, the directors of the Offeror are Mr. WONG Wai Sheung, Ms. WONG Lan Sze, Nancy and Dr. Chan So Kuen.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the HKRH Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the directors of HKRH) 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.