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GRAND SUNNY LIMITED
廣朗有限公司
(Incorporated in Hong Kong with limited liability)


GOLDLION HOLDINGS LIMITED
金利來集團有限公司
(Incorporated in Hong Kong under the Hong Kong Companies Ordinance)
(Stock Code: 00533)

JOINT ANNOUNCEMENT

**(1) PROPOSAL FOR THE PRIVATIZATION OF
GOLDLION HOLDINGS LIMITED
BY THE OFFEROR BY WAY OF A SCHEME OF ARRANGEMENT
UNDER SECTION 673 OF THE COMPANIES ORDINANCE**

**(2) PROPOSED WITHDRAWAL OF LISTING OF THE SHARES OF
GOLDLION HOLDINGS LIMITED**

AND

(3) RESUMPTION OF TRADING IN THE SHARES

Financial Adviser to the Offeror



GF Capital (Hong Kong) Limited

Financial Adviser to the Company



INTRODUCTION

The Offeror and the Company jointly announce that on 2 December 2024, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the privatization of the Company by way of the Scheme, being a scheme of arrangement under Section 673 of the Companies Ordinance.

TERMS OF THE PROPOSAL

If the Proposal is approved and implemented:

- (a) all the Scheme Shares held by the Scheme Shareholders will be cancelled and extinguished on the Effective Date in exchange for the payment by the Offeror to the Scheme Shareholders of the cancellation price of HK\$1.5232 in cash, less the Dividend Adjustment (if any), for each Scheme Share;
- (b) upon the cancellation and extinguishment of the Scheme Shares, the issued share capital of the Company will be restored to its former number by the issuance to the Offeror, credited as fully paid, of the same number of new Shares as the number of Scheme Shares cancelled and extinguished. The reserve created in the Company's books of account as a result of any reduction in issued share capital will be applied to the paying up in full of the new Shares so issued, credited as fully paid, to the Offeror. The Offeror and the Offeror Concert Parties will directly or indirectly hold 100% of the issued share capital of the Company and the Offeror will directly hold 31.25% of the issued share capital of the Company; and
- (c) the listing of the Shares on the Stock Exchange will be withdrawn with effect after the Effective Date.

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

CONDITIONS OF THE PROPOSAL AND THE SCHEME

The implementation of the Proposal is, and the Scheme will become effective and binding on the Company and all the Scheme Shareholders, subject to the fulfillment or waiver (as applicable) of the Conditions as described in the section headed “5. *Conditions of the Proposal and the Scheme*” below, on or before the Long Stop Date. If the Scheme is approved by the Scheme Shareholders and sanctioned by the High Court, all requirements of the Companies Ordinance are complied with, and all other Conditions are fulfilled or waived (as the case may be), the Scheme will be binding on all the Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting and/or the General Meeting.

FINANCIAL RESOURCES

On the basis of the Cancellation Price of HK\$1.5232 per Scheme Share and 304,314,535 Scheme Shares in issue as at the Announcement Date, and assuming that there is no change in the shareholding of the Company before the Scheme Record Date, the maximum amount of cash consideration required for the cancellation and extinguishment of the Scheme Shares is approximately HK\$463.5 million. GF Capital, the financial adviser to the Offeror, is satisfied that sufficient financial resources are, and will remain, available to the Offeror to satisfy the maximum amount of cash consideration required to effect the Proposal.

SHAREHOLDING STRUCTURE

As at the Announcement Date:

- (a) the issued share capital of the Company comprises 973,844,035 Shares;
- (b) other than the 973,844,035 Shares in issue, the Company has no outstanding options, warrants, derivatives, convertible securities or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company that carry a right to subscribe for or which are convertible into the Shares;
- (c) the Offeror does not hold any Shares, and the Offeror Concert Parties hold 669,529,500 Shares in aggregate, representing approximately 68.75% of the issued share capital of the Company, details of which are set out in the section headed “6. *Shareholding Structure*”; and
- (d) the Scheme Shares comprise a total of 304,314,535 Shares held or beneficially owned by the Scheme Shareholders, representing approximately 31.25% of the issued share capital of the Company.

Shares held by the Offeror and the Offeror Concert Parties will not form part of the Scheme Shares.

Upon the Scheme becoming effective, the Offeror and the Offeror Concert Parties will directly or indirectly hold 100% of the issued share capital of the Company and the Offeror will directly hold 31.25% of the issued share capital of the Company.

DESPATCH OF THE SCHEME DOCUMENT

The Scheme Document containing, among other things, details of the Scheme, the expected timetable, an explanatory statement as required under the rules of the High Court, information regarding the Company, the recommendations of the Independent Board Committee with respect to the Proposal, the letter of advice from the Independent Financial Adviser, notices of the Court Meeting and the General Meeting as well as other particulars required by the Takeovers Code will be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code and other applicable laws and regulations.

Under Rule 8.2 of the Takeovers Code, the Scheme Document should be despatched to the Shareholders within 21 days of the Announcement Date, that is, on or before 7 January 2025. The Scheme Document may only be despatched to the Shareholders after the High Court has, at a Directions Hearing to be held on a date to be fixed by the High Court, directed the holding of the Court Meeting.

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

The Scheme Document will contain important information and the Shareholders are urged to read the Scheme Document carefully before casting any vote at (or providing any proxy in respect of) the Court Meeting and/or the General Meeting. Any voting, acceptance or other response to the Proposal should be made only on the basis of information in the Scheme Document.

PROPOSED WITHDRAWAL OF LISTING OF THE SHARES

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

The Company will make an application for the listing of the Shares to be withdrawn from the Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules, with effect after the Effective Date.

The Shareholders will be notified by way of an announcement of the dates of the last day for dealing in the Shares and the day on which the Scheme and the withdrawal of the listing of the Shares on the Stock Exchange will become effective. A detailed expected timetable of the implementation of the Proposal will be set out in the Scheme Document, which will also contain, among other things, further details of the Scheme.

RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was halted from 11:08 a.m. on 21 November 2024 pending the release of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 18 December 2024.

WARNINGS

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

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

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

1. INTRODUCTION

The Offeror and the Company jointly announce that on 2 December 2024, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the privatization of the Company by way of the Scheme, being a scheme of arrangement under Section 673 of the Companies Ordinance.

2. TERMS OF THE PROPOSAL

As at the Announcement Date, (i) the issued share capital of the Company comprises 973,844,035 Shares; (ii) the Offeror does not hold any Shares, and the Offeror Concert Parties hold 669,529,500 Shares in aggregate, representing 68.75% of the issued Shares; (iii) the Scheme Shareholders hold 304,314,535 Shares, representing 31.25% of the issued Shares; and (iv) there are no outstanding options, warrants, derivatives or securities convertible into Shares.

Shares held by the Offeror and the Offeror Concert Parties will not form part of the Scheme Shares.

If the Proposal is approved and implemented:

- (a) all the Scheme Shares held by the Scheme Shareholders will be cancelled and extinguished on the Effective Date in exchange for the payment by the Offeror to the Scheme Shareholders of the cancellation price of HK\$1.5232 in cash, less the Dividend Adjustment (if any), for each Scheme Share;
- (b) upon the cancellation and extinguishment of the Scheme Shares, the issued share capital of the Company will be restored to its former number by the issuance to the Offeror, credited as fully paid, of the same number of new Shares as the number of Scheme Shares cancelled and extinguished. The reserve created in the Company's books of account as a result of any reduction in issued share capital will be applied to the paying up in full of the new Shares so issued, credited as fully paid, to the Offeror. The Offeror and the Offeror Concert Parties will directly or indirectly hold 100% of the issued share capital of the Company and the Offeror will directly hold 31.25% of the issued share capital of the Company; and
- (c) the listing of the Shares on the Stock Exchange will be withdrawn with effect after the Effective Date.

Cancellation Price

Under the Scheme, the Cancellation Price will be in the amount of HK\$1.5232 per Scheme Share, which amount (less the Dividend Adjustment (if any)) will be payable by the Offeror to the Scheme Shareholders in the form of cash.

As at the Announcement Date, (i) the Company has not announced or declared any dividend, distribution or other return of capital which remains unpaid; and (ii) the Company does not intend to announce, declare and, or pay any dividend, distribution or other return of capital before the Effective Date, or the date on which the Scheme is not approved or the Proposal otherwise lapses (as the case may be).

However, if, after the Announcement Date, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Shares, the Offeror expressly reserves the right to reduce the Cancellation Price by all or any part of the amount or value of such dividend and/or distribution and/or, as the case may be, return of capital per Share after consultation with the Executive (“**Dividend**

Adjustment”), in which case any reference in this joint announcement, the Scheme Document or any other announcement or document to the Cancellation Price will be deemed to be a reference to the Cancellation Price as so reduced.

Comparison of value

The Cancellation Price of HK\$1.5232 in cash for every Scheme Share cancelled and extinguished under the Scheme represents:

- (i) a premium of approximately 24.85% over the closing price of HK\$1.22 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 71.15% over the closing price of HK\$0.89 per Share as quoted on the Stock Exchange on the Last Full Trading Day;
- (iii) a premium of approximately 77.53% over the average closing price of approximately HK\$0.86 per Share based on the daily closing prices as quoted on the Stock Exchange for the 5 trading days up to and including the Last Full Trading Day;
- (iv) a premium of approximately 76.50% over the average closing price of approximately HK\$0.86 per Share based on the daily closing prices as quoted on the Stock Exchange for the 10 trading days up to and including the Last Full Trading Day;
- (v) a premium of approximately 72.44% over the average closing price of approximately HK\$0.88 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Last Full Trading Day;
- (vi) a premium of approximately 65.43% over the average closing price of approximately HK\$0.92 per Share based on the daily closing prices as quoted on the Stock Exchange for the 90 trading days up to and including the Last Full Trading Day;
- (vii) a premium of approximately 57.32% over the average closing price of approximately HK\$0.97 per Share based on the daily closing prices as quoted on the Stock Exchange for the 180 trading days up to and including the Last Full Trading Day;
- (viii) a discount of approximately 66.32% to the audited consolidated net asset value per Share attributable to the Shareholders of approximately HK\$4.5231 as at 31 December 2023 (calculated based on the audited consolidated net asset value of the Company attributable to Shareholders of approximately HK\$4,404,764,000 as at 31 December 2023 as extracted from the Company’s 2023 annual report and 973,844,035 Shares (being the number of Shares in issue as at 31 December 2023)); and

(ix) a discount of approximately 65.95% to the unaudited consolidated net asset value per Share attributable to the Shareholders of approximately HK\$4.4741 as at 30 June 2024 (calculated based on the unaudited consolidated net asset value of the Company attributable to Shareholders of approximately HK\$4,357,043,000 as at 30 June 2024 as extracted from the Company's 2024 interim report and 973,844,035 Shares (being the number of Shares in issue as at 30 June 2024)).

The Cancellation Price has been determined by the Offeror after taking into account, among other things, the recent and historical prices of the Shares and trading volume of the Shares, the historical financial performance and business prospects of the Group, and the factors set out in the section headed "4. *Reasons for and benefits of the Proposal*" below, with reference to other privatization transactions relating to companies listed on the Stock Exchange in recent years.

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

Highest and lowest prices

During the six-month period preceding the Last Full Trading Day, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$1.04 per Share on 28 and 29 May 2024, and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.83 per Share on 18 November 2024.

3. FINANCIAL RESOURCES

GF Capital has been appointed as the financial adviser to the Offeror in connection with the Proposal.

On the basis of the Cancellation Price of HK\$1.5232 per Scheme Share and 304,314,535 Scheme Shares in issue as at the Announcement Date, and assuming that there is no change in the shareholding of the Company before the Scheme Record Date, the maximum amount of cash consideration required for the cancellation and extinguishment of the Scheme Shares is approximately HK\$463.5 million.

The Offeror intends to finance the cash requirement for the Proposal through its internal financial resources.

GF Capital, the financial adviser to the Offeror, is satisfied that sufficient financial resources are, and will remain, available to the Offeror to satisfy the maximum amount of cash consideration required to effect the Proposal.

4. REASONS FOR AND BENEFITS OF THE PROPOSAL

4.1 For the Scheme Shareholders

(a) Unique opportunity to fully monetize investment with limited liquidity

The trading liquidity of shares has remained consistently low for a sustained period of time. The average daily trading volume of the Shares for the 3, 6 and 12 months leading up to and including the Last Full Trading Day were approximately 192,613 Shares, 167,508 Shares and 180,517 Shares, respectively, representing only 0.020%, 0.017% and 0.019% of the issued Shares respectively as at the Announcement Date. The low trading liquidity would be challenging for the Independent Shareholders to execute substantial on-market disposals without adversely affecting the price of the Shares and also make it difficult for Shareholders to dispose of a large number of Shares when any event that has an adverse impact on the Company's Share price occurs. The Proposal provides an exceptional and immediate opportunity for the Scheme Shareholders to exit and realize their investments in the Company at an attractive premium over the prevailing Share price and to reallocate the proceeds from the disposal of the Shares to alternative investment opportunities.

(b) Unlocking shareholder value at an attractive premium

The Proposal provides an attractive opportunity for the Scheme Shareholders to monetize their investments at a premium over the prevailing Share price. The Cancellation Price represents a premium of approximately 71.15% over the closing price of HK\$0.89 per Share as at the Last Full Trading Day, as well as a premium of approximately 77.53%, 76.5%, 72.44%, 65.43% and 57.32% over the average closing price of approximately HK\$0.86, HK\$0.86, HK\$0.88, HK\$0.92 and HK\$0.97 per share for the 5, 10, 30, 90 and 180 trading days up to and including the Last Full Trading Day, respectively.

(c) Realize gains amidst current uncertain market conditions

The Proposal provides the Scheme Shareholders with an opportunity to realise their investment in the Company considering the prevailing uncertain market conditions influenced by geopolitical factors and uncertain sentiment in the broader equity markets. The Hang Seng Index has decreased by 26.72% in the last five years and 36.61% from its highest point in 2021 to the Last Full Trading Day, whilst the PRC equity markets have been subject to uncertainties in the face of geopolitical developments and an environment of increasing interest rates. During the recent H share and A share market rally from around September 2024 to October 2024, the Company's share price exhibited minimal movement, which may indicate that the Company's share price did not necessarily fully reflect broader equity market valuation trends given historically relatively low trading volumes.

4.2 For the Company

The Company has faced headwinds in its business over the past few years due to the combined impact of declining consumption, real estate crisis and unfavourable external factors in Greater China. With the Company's revenue and net profit continued to decrease since 2022, the Company expects the PRC economy may not significantly improve in the short term which may put the Company's performance under continued pressure. By becoming a privately-held entity, the Company may be able to execute additional long-term strategic decisions to address the current operating situation, without being constrained by capital market expectations, regulatory costs, disclosure obligations, or the influence of short-term market and investor sentiment.

Considering the low trading volume of shares on the market, and the Company not having utilised its listing status for capital fund raising activities in the past 20 years, the Company considers that its listing status on the Stock Exchange has become less relevant as a fundraising source for the Company's business and growth in the future. The Proposal, which entails the delisting of the Company, is expected to simplify the operational processes and reduce management resources and administrative costs associated with maintaining the Company's listing status and compliance with regulatory requirements. The privatisation would streamline the Company's operations and reduce complexities associated with being a listed company.

Independent Shareholders are reminded to refer to the details of the Proposal set out in the Scheme Document, including the advice of the Independent Financial Adviser to the Independent Board Committee and the recommendation from the Independent Board Committee in respect of the Proposal, before deciding whether or not to accept the Proposal.

5. CONDITIONS OF THE PROPOSAL AND THE SCHEME

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

- (a) the approval of the Scheme at the Court Meeting (by way of a poll) by holders of the Scheme Shares representing at least 75% of the voting rights of such holders present and voting, in person or by proxy, at the Court Meeting, and the votes cast (by way of poll) against the Scheme at the Court Meeting not exceeding 10% of the total voting rights attached to all CO Disinterested Shares, provided that:
 - (i) the Scheme is approved (by way of poll) by at least 75% of the votes attaching to the TC Disinterested Shares held by the Independent Shareholders that are cast either in person or by proxy at the Court Meeting; and
 - (ii) the number of votes cast (by way of poll) against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all the TC Disinterested Shares held by the Independent Shareholders;

- (b) the passing of a special resolution by a majority of at least 75% of the votes cast by the Shareholders present and voting, in person or by proxy, at the General Meeting (and otherwise in accordance with the procedural requirements of section 564 of the Companies Ordinance) to approve and give effect to the Scheme, including the approval of the reduction of the issued share capital of the Company by cancelling and extinguishing the Scheme Shares and the issue to the Offeror of such number of new Shares as is equal to the number of the Scheme Shares cancelled and extinguished;
- (c) the sanction of the Scheme (with or without modifications) and the confirmation of the reduction of the issued share capital of the Company involved in the Scheme by the High Court and the registration of a copy of the order of the High Court by the Registrar of Companies under Part 2 of the Companies Ordinance;
- (d) the compliance with the procedural requirements of sections 230 and 231 and sections 673 and 674 of the Companies Ordinance in relation to the reduction of the issued share capital of the Company and the Scheme, respectively;
- (e) all necessary Authorisations which are material in the context of the Group taken as a whole and other registrations, filings, rulings, consents, opinions, permissions and approvals in connection with the Proposal or its implementation in accordance with its terms having been obtained (or, as the case may be, completed) and remaining in full force and effect without modification;
- (f) no government, court, or governmental, quasi-governmental, statutory or regulatory body or agency in any jurisdiction having taken or instituted any action, proceeding or suit (or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order) that would make the Proposal or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to the Proposal or its implementation in accordance with its terms);
- (g) all necessary legal or regulatory obligations in all relevant jurisdictions having been complied with and no legal or regulatory requirement having been imposed which is not expressly provided for, or is in addition to the requirements expressly provided for, in the relevant laws or regulations in connection with the Proposal or its implementation in accordance with its terms; and
- (h) since the Accounts Date up to and including the time when the last of the Conditions set out in (a) to (g) is fulfilled or waived (as applicable), save as disclosed in the information published by the Company under the Listing Rules and SFO prior to the Announcement Date:
 - (i) there having been no adverse change in the business, assets, financial or trading positions, profits or prospects of any member of the Group (to an extent which is material in the context of the Group taken as a whole or in the context of the Proposal) (“**Material Adverse Change**”); and

- (ii) there not having been (i) any litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Group is a party (whether as plaintiff, defendant or otherwise) and no such proceedings having been threatened in writing, announced, instituted or remaining outstanding by, against or in respect of any such member; (ii) any claim against or in respect of any member of the Group, or any such claim having been threatened in writing, announced, instituted or remaining outstanding, or any event or circumstance having occurred or occurring that could give rise to such claim; or (iii) any investigation by any government or quasi-governmental, supranational, regulatory or investigative body or court against or in respect of any member of the Group or the business carried on by any such member and no such investigation having been threatened in writing, announced, instituted or remaining outstanding against or in respect of any such member, in each case which is or will result in a Material Adverse Change.

None of Conditions (a) to (d) above may be waived. The Offeror reserves the right to waive any of the Conditions (e) to (h), either in whole or in respect of any particular matter. Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Scheme if the circumstances which give rise to a right to invoke any such Condition are of material significance to the Offeror in the context of the Proposal. The Company has no right to waive any of the Conditions.

All of the Conditions will have to be satisfied or waived (as applicable), on or before the Long Stop Date, failing which the Proposal will lapse.

With reference to the Condition in paragraph (e), as at the Announcement Date, neither the Offeror nor the Company is aware of any requirement for such Authorisations, approvals, permissions, waivers, consents, enquiry, registrations or filings other than those set out in the Conditions in paragraphs (a) to (d). With reference to the Condition in paragraph (f), as at the Announcement Date, neither the Offeror nor the Company is aware of any such action, proceeding, suit, investigation, statute, regulation, demand or order. With reference to the Condition in paragraph (g), as at the Announcement Date, neither the Offeror nor the Company is aware of any such non-compliance or legal or regulatory requirement other than those set out in the Conditions in paragraphs (a) to (d).

The Scheme is subject to the requirement under section 674(2) of the Companies Ordinance that members representing at least 75% of the voting rights of the members present and voting (in person or by proxy) at the Court Meeting agree to the Scheme, and the requirement under Rule 2.10 of the Takeovers Code that the Scheme must be approved by at least 75% of the votes attaching to the disinterested Shares (as defined in Note 6 to Rule 2 of the Takeovers Code) that are cast (in person or by proxy) at the meeting of the holders of the disinterested Shares. Accordingly:

- (a) for the purpose of the Companies Ordinance, the 75% approval threshold will be determined by reference to the voting rights of the Scheme Shareholders, who attend and vote (in person or by proxy) at the Court Meeting; and

- (b) for the purpose of the Takeovers Code, the 75% approval threshold will be determined by reference to the votes attaching to all the TC Disinterested Shares held by the Independent Shareholders which are cast (in person or by proxy) at the Court Meeting.

Therefore, in order to satisfy the requirements under both the Companies Ordinance and the Takeovers Code, the 75% approval threshold will be determined by reference to the Shares held by the Scheme Shareholders (all of which are also Independent Shareholders as at the date of this joint announcement) who attend and vote at the Court Meeting.

The Scheme is also subject to the requirement under section 674(2) of the Companies Ordinance that the votes cast against the Scheme at the Court Meeting shall not exceed 10% of the voting rights attached to all disinterested Shares (as defined in section 674(3) of the Companies Ordinance), and the requirement under Rule 2.10 of the Takeovers Code that the number of votes cast against the resolution to approve the Scheme at the meeting of the holders of disinterested Shares (as defined in Note 6 to Rule 2 of the Takeovers Code) shall not be more than 10% of the votes attaching to all disinterested Shares. Accordingly, all Scheme Shares (i.e. all the Shares in issue as at the Record Date, other than any Shares directly or indirectly held or beneficially owned by the Offeror and the Offeror Concert Parties) will be regarded as disinterested Shares for the purpose of both the Companies Ordinance (i.e. the CO Disinterested Shares) and the Takeovers Code (i.e. the TC Disinterested Shares).

If approved, the Scheme will be binding on all the Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting and/or the General Meeting.

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

6. SHAREHOLDING STRUCTURE

As at the Announcement Date:

- (a) the issued share capital of the Company comprises 973,844,035 Shares;
- (b) no options are outstanding under the Share Option Scheme and the Share Option Scheme had lapsed on 22 May 2024;
- (c) other than the 973,844,035 Shares in issue, the Company has no outstanding options, warrants, derivatives, convertible securities or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company that carry a right to subscribe for or which are convertible into the Shares;

- (d) the Offeror does not hold any Shares, and the Offeror Concert Parties hold 669,529,500 Shares in aggregate, representing approximately 68.75% of the total number of Shares in issue, details of which are set out in the table below in this section 6;
- (e) members of the GF Capital group, being Offeror Concert Parties, do not beneficially own, control or have direction over any Shares;
- (f) save as disclosed in sub-paragraph (d) above, the Offeror and the Offeror Concert Parties do not hold or have control or direction over any other Shares or any options, warrants, derivatives or securities convertible into Shares or other derivatives in respect of securities in the Company;
- (g) the Scheme Shares comprise a total of 304,314,535 Shares held or beneficially owned by the Scheme Shareholders, representing approximately 31.25% of the issued share capital of the Company;
- (h) neither the Offeror nor the Offeror Concert Parties have entered into any outstanding derivative in respect of the securities in the Company;
- (i) neither the Offeror nor the Offeror Concert Parties have borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (j) neither the Offeror nor the Offeror Concert Parties have dealt in any Shares or any options, warrants, derivatives or securities convertible into Shares or other derivatives in respect of securities in the Company in the six months prior to and including (i) the Announcement Date and (ii) the Last Trading Day, respectively; and
- (k) all Shareholders (other than the Offeror Concert Parties) are considered as Independent Shareholders for the purpose of the Takeovers Code and holders of CO Disinterested Shares for the purpose of the Companies Ordinance.

Shares held or beneficially owned by the Offeror and the Offeror Concert Parties will not form part of the Scheme Shares.

Upon the Scheme becoming effective, the Offeror and the Offeror Concert Parties will directly or indirectly hold 100% of the issued share capital of the Company and the Offeror will directly hold 31.25% of the issued share capital of the Company.

On the assumption that there is no other change in the shareholding structure of the Company before completion of the Proposal, the table below sets out the shareholding structure of the Company as at the Announcement Date and immediately upon completion of the Proposal:

Shareholders	As at the Announcement Date		Immediately upon completion of the Proposal	
	No. of Shares	Approximate % (Note 1)	No. of Shares	Approximate % (Note 1)
Offeror (Note 2)	—	—	304,314,535	31.25
Offeror Concert Parties (Note 2)				
— Top Grade (Note 3)	407,418,750	41.84	407,418,750	41.84
— Silver Disk (Note 3)	160,616,000	16.49	160,616,000	16.49
— Keysonic Development (Note 3)	45,000,000	4.62	45,000,000	4.62
— Mr. Tsang (Note 4)	1,404,000	0.14	1,404,000	0.14
— THC Charities Management (Note 5)	53,880,750	5.53	53,880,750	5.53
— Madam Wong (Note 6)	1,210,000	0.12	1,210,000	0.12
Aggregate number of Shares held by the Offeror and Offeror Concert Parties	669,529,500	68.75	973,844,035	100.00
Scheme Shareholders	304,314,535	31.25	—	—
Total number of Shares	973,844,035	100.00	973,844,035	100.00

Notes:

- (1) The shareholding percentages in the table are subject to rounding adjustment.
- (2) The Shares held by the Offeror (if any) and the Offeror Concert Parties will not form part of the Scheme Shares and will not be voted at the Court Meeting. Under the Scheme, Shares held by the Offeror and the Offeror Concert Parties will not be cancelled and extinguished. The share capital of the Company will, on the Effective Date, be reduced by cancelling and extinguishing the Scheme Shares, and forthwith upon such reduction, the share capital of the Company will be increased to its former amount by the issuance to the Offeror, credited as fully paid, of the same number of Shares as is equal to the number of Scheme Shares cancelled and extinguished.
- (3) As at the Announcement Date, Hin Chi Family Management as trustee of the Tsang Hin Chi (2007) Family Settlement, holds all of the issued share capital of Top Grade. Top Grade is interested in 613,034,750 shares in the Company including 160,616,000 shares held by Silver Disk and 45,000,000 shares held by Keysonic Development, each a wholly-owned subsidiary of Top Grade.
- (4) These Shares are directly held by Mr. Tsang.
- (5) These Shares are directly held by THC Charities Management as trustee of Tsang Hin Chi Charitable Foundation (a charitable trust granted tax exemption under section 88 of the Inland Revenue Ordinance, which is controlled by Mr. Tsang).
- (6) These Shares are directly held by Madam Wong.
- (7) As at the Announcement Date, save for Mr. Tsang, none of the Directors are interested (within the meaning of Part XV of the SFO) in the Shares.

7. INFORMATION ON THE OFFEROR AND THE OFFEROR CONCERT PARTIES

The Offeror

The Offeror is a company incorporated in Hong Kong with limited liability for the purpose of implementing the Proposal. As at the Announcement Date, its sole shareholder and sole director is Mr. Tsang.

Mr. Tsang

Mr. Tsang is an executive Director, the chairman and chief executive officer of the Company. Mr. Tsang is also the sole shareholder and sole director of the Offeror.

Madam Wong

Madam Wong is the mother of Mr. Tsang.

Top Grade

Top Grade is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. As at the Announcement Date, Top Grade is wholly-owned by Hin Chi Family Management, the trustee of Tsang Hin Chi (2007) Family Settlement.

Tsang Hin Chi (2007) Family Settlement is a family trust established under a deed of settlement dated 4 October 2007 and made between the late Dr. Tsang Hin Chi as the settlor and Hin Chi Family Management as the trustee, the beneficiaries of which are members of the Tsang family including Mr. Tsang.

Silver Disk

Silver Disk is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding. As at the Announcement Date, Silver Disk is wholly-owned by Top Grade.

Keysonic Development

Keysonic Development is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. As at the Announcement Date, it is wholly-owned by Top Grade.

THC Charities Management

THC Charities Management is a company incorporated in Hong Kong with limited liability and is principally engaged as trustee of a charitable foundation. THC Charities Management is the trustee of Tsang Hin Chi Charitable Foundation.

The Tsang Hin Chi Charitable Foundation is a charitable trust which is exempt from tax under section 88 of the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong), which is controlled by Mr. Tsang.

8. INFORMATION ON THE GROUP

The Company is a company incorporated in Hong Kong with limited liability whose shares are listed on the Main Board of the Stock Exchange. The Company is an investment holding company and the Group is principally engaged in (i) the distribution and manufacturing of garments, leather goods and accessories in the PRC (including Hong Kong) and Singapore; (ii) licensing of brand name in the PRC (including Hong Kong); and (iii) property investment and development in the PRC (including Hong Kong) and Singapore.

Set out below is certain audited consolidated financial information of the Company as extracted from the Company's annual reports for the three years ended 31 December 2023 and the unaudited consolidated financial information of the Company as extracted from the Company's interim report for the six months ended 30 June 2024:

	For the year ended 31 December			For the six
	2023	2022	2021	months ended
	HK\$'000	HK\$'000	HK\$'000	30 June 2024
	(Audited)	(Audited)	(Audited)	HK\$'000
				(Unaudited)
Revenue	1,331,456	1,415,709	1,372,184	603,261
Profit before income tax	127,433	174,140	261,051	68,139
Profit for the year/period	116,164	154,462	221,043	58,240
Profit for the year/period attributable to owners of the Company	116,164	154,462	221,043	58,233
Earnings per share for profit attributable to owners of the Company during the year/period (expressed in HK\$ cent per Share)				
— Basic and diluted	11.87	15.73	22.51	5.98

9. INTENTION OF THE OFFEROR IN RELATION TO THE GROUP

As at the Announcement Date, the Offeror intends that the Group will continue to carry on its existing businesses, and the Offeror has no intention, upon the Scheme becoming effective, to make any material changes to the business and/or disposal or redeployment of assets of the Group, or to make any significant changes to the management of the Company or employment of employees of the Group as a result of the implementation of the Proposal.

10. PROPOSED WITHDRAWAL OF LISTING OF THE SHARES

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

The Company will make an application for the listing of the Shares to be withdrawn from the Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules, with effect after the Effective Date.

The Shareholders will be notified by way of an announcement of the dates of the last day for dealing in the Shares and the day on which the Scheme and the withdrawal of the listing of the Shares on the Stock Exchange will become effective. A detailed expected timetable of the implementation of the Proposal will be set out in the Scheme Document, which will also contain, among other things, further details of the Scheme.

11. INDEPENDENT BOARD COMMITTEE

An Independent Board Committee, which comprises the non-executive Director and all the independent non-executive Directors, namely Mr. Li Ka Fai, David, Mr. Ng Ming Wah, Charles, Ms. Lo Wing Sze and Mr. Chan Kwong Ming, Johnny, has been established by the Board to advise the Independent Shareholders in connection with the Proposal and the Scheme, and in particular as to (i) whether the Proposal and the Scheme are fair and reasonable; and (ii) voting in respect of the Scheme at the Court Meeting and the General Meeting.

12. APPOINTMENT OF THE INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT BOARD COMMITTEE

The Independent Financial Adviser will be appointed by the Board with the approval of the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code in due course to advise the Independent Board Committee in connection with the Proposal and the Scheme. A further announcement will be made after the appointment of the Independent Financial Adviser.

13. DESPATCH OF SCHEME DOCUMENT

The Scheme Document containing, among other things, details of the Scheme, the expected timetable, an explanatory statement as required under the rules of the High Court, information regarding the Company, the recommendations of the Independent Board Committee with respect to the Proposal, the letter of advice from the Independent Financial Adviser, notices of the Court Meeting and the General Meeting as well as other particulars required by the Takeovers Code will be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code and other applicable laws and regulations.

Under Rule 8.2 of the Takeovers Code, the Scheme Document should be despatched to the Shareholders within 21 days of the Announcement Date, that is, on or before 7 January 2025. The Scheme Document may only be despatched to the Shareholders after the High Court has, at a Directions Hearing to be held on a date to be fixed by the High Court, directed the holding of the Court Meeting.

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

The Scheme Document will contain important information and the Shareholders are urged to read the Scheme Document carefully before casting any vote at (or providing any proxy in respect of) the Court Meeting and/or the General Meeting. Any voting or other response to the Proposal should be made only on the basis of information in the Scheme Document or any other document by which the Proposal is made.

14. VOTING AT THE COURT MEETING AND GENERAL MEETING

As at the Announcement Date, the Company has no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) other than its issued share capital of 973,844,035 Shares.

All Scheme Shareholders as at the Meeting Record Date will be entitled to attend and vote at the Court Meeting to approve the Scheme. None of the Shares held or beneficially owned by the Offeror and the Offeror Concert Parties will be voted at the Court Meeting. Each of the Offeror and the Offeror Concert Parties will provide an undertaking to the Court not to attend and vote at the Court Meeting. The Offeror and the Offeror Concert Parties will also undertake to the Court to be bound by the Scheme, so as to ensure that they will comply with and be subject to the terms and conditions of the Scheme.

All Shareholders are entitled to attend the General Meeting and vote on the special resolution to be proposed at the General Meeting to approve and give effect to the reduction of capital and the implementation of the Scheme. The Offeror and the Offeror Concert Parties have indicated that, if the Scheme is approved at the Court Meeting, the Offeror and the Offeror Concert Parties will vote in favour of the special resolution to be proposed at the General Meeting to approve and give effect to the Scheme, including the approval of the reduction of the issued share capital of the Company by cancelling and extinguishing the Scheme Shares and of the issue to the Offeror of such number of new Shares as is equal to the number of the Scheme Shares cancelled.

15. IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES

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

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

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

16. GENERAL

As at the Announcement Date:

- (1) save as disclosed in the section headed “6. *Shareholding Structure*” above, the Offeror and the Offeror Concert Parties do not hold or have control or direction over any other Shares or any options, warrants, derivatives or securities convertible into Shares or other derivatives in respect of securities in the Company and have not dealt in any Shares or any options, warrants, derivatives or securities convertible into Shares or other derivatives in respect of securities in the Company in the past six months prior to and including the Announcement Date;
- (2) none of the Offeror and the Offeror Concert Parties has received an irrevocable commitment to vote for or against the Scheme;
- (3) none of the Offeror and the Offeror Concert Parties holds any convertible securities, warrants or options in respect of voting rights and rights over Shares;
- (4) save for the Proposal, there is no arrangement (whether by way of option, indemnity or otherwise) in relation to shares of the Offeror or Shares which might be material to the Proposal (as referred to in Note 8 to Rule 22 of the Takeovers Code);
- (5) there is no agreement or arrangement to which any of the Offeror or the Offeror Concert Parties is a party which relates to the circumstances in which the Offeror may or may not invoke or seek to invoke a Condition to the Proposal;
- (6) save for the Cancellation Price, there is no other consideration, compensation or benefit in whatever form paid or to be paid by the Offeror and the Offeror Concert Parties to the Scheme Shareholders or their concert parties in relation to the Scheme Shares;
- (7) there is no agreement, arrangement or understanding between (i) any Shareholder and (ii)(a) the Offeror and the Offeror Concert Parties or (b) the Company, its subsidiaries or associated companies; and
- (8) there is no special deal (as defined in Rule 25 of the Takeovers Code) between (i) any Shareholder and (ii)(a) the Offeror and the Offeror Concert Parties or (b) the Company, its subsidiaries or associated companies.

17. DISCLOSURE OF DEALINGS

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

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

“Responsibilities of stockbrokers, banks and other intermediaries

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

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

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

18. PRECAUTIONARY LANGUAGE REGARDING FORWARD-LOOKING STATEMENTS

This joint announcement includes certain “forward-looking statements”. These statements are based on the current expectations of the management of the Offeror and/or the Company (as the case may be) and are naturally subject to uncertainty and changes in circumstances. The forward-looking statements contained in this joint announcement include statements about the expected effects of the Proposal on the Company, the expected timing and scope of the Proposal, and all other statements in this joint announcement other than historical facts.

Forward-looking statements include, without limitation, statements typically containing words such as “intends”, “expects” and words of similar import. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to, the satisfaction of the Conditions to the Proposal, as well as additional

factors, such as general, social, economic and political conditions in the countries in which the Offeror and/or the Group operate or other countries which have an impact on the Offeror and/or the Group's business activities or investments, interest rates, the monetary and interest rate policies of the countries in which the Offeror and/or the Group operate, inflation or deflation, foreign exchange rates, the performance of the financial markets in the countries in which the Offeror and/or Group operate and globally, changes in domestic and foreign laws, regulations and taxes, changes in competition and the pricing environments in the countries in which the Offeror and/or Group operate and regional or general changes in asset valuations and disruptions or reductions in travel and operations due to natural or man-made disasters, pandemics, epidemics or outbreak of infections or contagious diseases such as novel coronavirus. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements.

All written and oral forward-looking statements attributable to the Offeror, the Company or persons acting on behalf of any of them are expressly qualified in their entirety by the cautionary statements above. The forward-looking statements included herein are made only as at the Announcement Date. Any forward-looking statement contained in this joint announcement based on past or current trends and/or activities of the Company should not be taken as a representation that such trends or activities will continue in the future. No statement in this joint announcement is intended to be a profit forecast or to imply that the earnings of the Company for the current year or future years will necessarily match or exceed their respective historical or published earnings. Each forward-looking statement speaks only as at the date of the particular statement. Subject to the requirements of the Takeovers Code and other applicable laws and regulations, each of the Offeror and the Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in their expectations with regard thereto or any change in events, conditions of circumstances on which any such statement is based.

19. TAXATION AND INDEPENDENT ADVICE

Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of the Proposal. It is emphasised that none of the Offeror, the Company, GF Capital or Somerley Capital, nor any of their respective directors, officers or associates or any other person involved in the Proposal accepts responsibility (other than in respect of themselves, if applicable) for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Proposal.

20. OVERSEAS SCHEME SHAREHOLDERS

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

In the event that the despatch of the Scheme Document to overseas Shareholders is prohibited by any relevant law or regulation or may only be effected after compliance with conditions or requirements that the directors of the Company regard as unduly onerous or burdensome (or otherwise not in the best interests of the Company or its Shareholders), the Scheme Document may, subject to the consent of the Executive, not be despatched to such overseas Shareholders. For that purpose, the Company may 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. Any such waiver will only be granted if the Executive is satisfied that it would be unduly burdensome to despatch the Scheme Document to such overseas Shareholders. In granting the waiver, the Executive will be concerned to see that all material information in the Scheme Document is made available to such overseas Shareholders.

21. NOTICE TO US HOLDERS OF SHARES

The Proposal is being made to cancel the securities of a company incorporated in Hong Kong by means of a scheme of arrangement provided for under the Companies Ordinance. Any financial information included in this joint announcement has been prepared in accordance with the accounting standards applicable in Hong Kong and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with the generally accepted accounting principles in the US. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules of the US Securities and Exchange Act of 1934, as amended.

Accordingly, the Proposal is subject to the disclosure requirements and practices applicable in Hong Kong to schemes of arrangement which differ from the disclosure requirements of the US tender offer rules. The receipt of cash pursuant to the Proposal by a US holder of Scheme Shares as consideration for the cancellation and extinguishment of its Scheme Shares pursuant to the Scheme by a Scheme Shareholder may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other tax laws. Each holder of Scheme Shares is urged to consult his independent professional adviser immediately regarding the tax consequences of the Proposal applicable to him. It may be difficult for US holders of the Scheme Shares to enforce their rights and claims arising out of the US federal securities laws, since the Offeror and the Company are located in a country other than

the US, and some or all of their officers and directors may be residents of a country other than the US. US holders of the Scheme Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a judgement of the US court.

22. RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was halted from 11:08 a.m. on 21 November 2024 pending the release of this joint announcement. An application has been made by the Company to the Stock Exchange for a resumption of trading in the Shares with effect from 9:00 a.m. on 18 December 2024.

WARNINGS

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

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

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

DEFINITIONS

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

“Accounts Date”	31 December 2023, the date to which the latest published audited consolidated financial statements of the Group (as at the Announcement Date) were made up
“acting in concert”	has the same meaning ascribed to it under the Takeovers Code, and “parties acting in concert” shall be construed accordingly
“Announcement Date”	the date of this joint announcement
“associate(s)”	has the same meaning ascribed to it under the Takeovers Code
“associated company(ies)”	has the same meaning ascribed to it under the Takeovers Code
“Authorisation(s)”	all necessary authorisations, registrations, filings, rulings, consents, permissions, waivers, exemptions and approvals required from the applicable governments or governmental bodies, regulatory bodies, or courts (including but not limited to the SFC and the Stock Exchange), or other third parties which are necessary for any member of the Group to carry on its business
“Board”	the board of Directors
“Cancellation Price”	the cancellation price of HK\$1.5232 for every Scheme Share cancelled and extinguished pursuant to the Scheme, which amount (less the Dividend Adjustment (if any)) will be payable by the Offeror to the Scheme Shareholders in the form of cash
“CO Disinterested Shares”	has the meaning ascribed to “disinterested shares” in section 674(3) of the Companies Ordinance ¹
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)

¹ Section 674(3) of the Companies Ordinance provides that, in the case of a takeover offer, “disinterested shares” excludes shares held by the offeror and “associates” (within the meaning provided in section 667(1)(b)(i) of the Companies Ordinance) of the offeror (unless otherwise declared by the High Court). Section 667(1)(b)(i) of the Companies Ordinance provides that where the offeror is a body corporate, a reference to an “associate” of the offeror is a reference to (i) a body corporate in the same group of companies as the offeror; (ii) a body corporate in which the offeror is substantially interested; or (iii) a person who is a party, or a nominee of a party, to an acquisition agreement with the offeror.

“Company”	Goldlion Holdings Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 533)
“Condition(s)”	the conditions to the implementation of the Proposal and the Scheme, as set out in the section headed “5. <i>Conditions of the Proposal and the Scheme</i> ” of this joint announcement
“Court Meeting”	a meeting of the holders of Scheme Shares to be convened at the direction of the High Court, at which the Scheme will be voted upon
“Directions Hearing”	a directions hearing of the High Court for the purpose of giving direction as to the holding of the Court Meeting
“Director(s)”	the director(s) of the Company
“Dividend Adjustment”	has the meaning given to it in the paragraph headed “Cancellation Price” in the section headed “2. <i>Terms of the Proposal</i> ” of this joint announcement
“Effective Date”	the date on which the Scheme becomes effective in accordance with the Companies Ordinance
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“General Meeting”	an extraordinary general meeting of the Company to be convened for the purpose of, among other matters, approving the reduction of the share capital of the Company involved in the Scheme and implementing the Scheme
“GF Capital”	GF Capital (Hong Kong) Limited, a corporation licensed under the SFO to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, the financial adviser to the Offeror in relation to the Proposal
“Group”	the Company and its subsidiaries
“High Court”	the High Court of Hong Kong
“Hin Chi Family Management”	Hin Chi Family Management Limited, a company incorporated in Hong Kong with limited liability, being trustee of the Tsang Hin Chi (2007) Family Settlement
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Board Committee”	the independent committee of the Board formed to advise the Disinterested Shareholders in connection with the Proposal and the Scheme, and comprising the non-executive Director and all the independent non-executive Directors, namely Mr. Li Ka Fai, David, Mr. Ng Ming Wah, Charles, Ms. Lo Wing Sze and Mr. Chan Kwong Ming, Johnny
“Independent Financial Adviser”	the independent financial adviser to be appointed to advise the Independent Board Committee in relation to the Proposal and the Scheme
“Independent Shareholders”	all Shareholders, other than the Offeror and the Offeror Concert Parties
“Keysonic Development”	Keysonic Development Limited, a company incorporated in the British Virgin Islands with limited liability, which is a wholly-owned subsidiary of Top Grade as at the Announcement Date
“Last Full Trading Day”	20 November 2024, being the last full trading day prior to the trading halt in the Shares on the Stock Exchange pending the publication of this joint announcement
“Last Trading Day”	21 November 2024, being the last trading day immediately before the trading halt in the Shares on the Stock Exchange pending the publication of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	30 September 2025 (or such later date as the Offeror and the Company may agree or, to the extent applicable, as the High Court on application of the Company may allow and in all cases, as permitted by the Executive)
“Madam Wong”	Madam Wong Lei Kuan, mother of Mr. Tsang
“Meeting Record Date”	the date set for determining entitlement to attend and to vote at the Court Meeting
“Mr. Tsang”	Mr. Tsang Chi Ming Ricky, an executive Director, the chairman and chief executive officer of the Company, and the sole shareholder and sole director of the Offeror
“Offeror”	Grand Sunny Limited, a company incorporated under the laws of Hong Kong with limited liability, which is wholly-owned by Mr. Tsang as at the Announcement Date

“Offeror Concert Parties”	any party(ies) acting in concert, or presumed to be acting in concert, with the Offeror under the definition of “acting in concert” under the Takeovers Code including, without limitation, Mr. Tsang, Madam Wong, Top Grade, Silver Disk, Keysonic Development and THC Charities Management
“PRC”	the People’s Republic of China
“Proposal”	the proposal for the privatization of the Company by the Offeror by way of the Scheme, and the withdrawal of listing of the Shares from the Stock Exchange, on the terms and subject to the Conditions set out in this joint announcement
“Scheme”	a scheme of arrangement to be proposed under section 673 of the Companies Ordinance for the implementation of the Proposal, involving the cancellation and extinguishment of all the Scheme Shares and the restoration of the share capital of the Company to the amount immediately before the cancellation and extinguishment of the Scheme Shares by the issuance to the Offeror, credited as fully paid, of such number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished
“Scheme Document”	the composite scheme document of the Offeror and the Company to be despatched to all Scheme Shareholders in connection with the Scheme, containing, inter alia, details of the Scheme together with the additional information specified in the section headed “ <i>14. Despatch of Scheme Document</i> ” of this joint announcement
“Scheme Record Date”	the record date to be announced for the purpose of determining the entitlements under the Scheme
“Scheme Share(s)”	Share(s) in issue on the Scheme Record Date other than those held by the Offeror and the Offeror Concert Parties
“Scheme Shareholder(s)”	registered holder(s) of the Scheme Shares as at the Scheme Record Date
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of the Company
“Share Option Scheme”	the share option scheme adopted by the Company on 23 May 2014, which had lapsed upon the expiry of its term on 22 May 2024

“Shareholder(s)”	registered holder(s) of the Shares
“Silver Disk”	Silver Disk Limited, a company incorporated in Hong Kong with limited liability, which is wholly-owned by Top Grade as at the Announcement Date
“Somerley Capital”	Somerley Capital Limited, a corporation licensed under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, the financial adviser to the Company in relation to the Proposal
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers (as revised from time to time)
“TC Disinterested Shares”	Shares in issue as at the Scheme Record Date, other than those beneficially owned by the Offeror and the Offeror Concert Parties
“THC Charities Management”	Tsang Hin Chi Charities (Management) Limited, a company incorporated in Hong Kong with limited liability, being trustee of Tsang Hin Chi Charitable Foundation
“Top Grade”	Top Grade Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, which is wholly-owned by Hin Chi Family Management as at the Announcement Date
“trading day”	a day on which the Stock Exchange is open for the business of dealings in securities
“Tsang Hin Chi (2007) Family Settlement”	a family trust established under a deed of settlement dated 4 October 2007 and made between the late Dr. Tsang Hin Chi as the settlor and Hin Chi Family Management as the trustee, the beneficiaries of which are members of the Tsang family including Mr. Tsang
“Tsang Hin Chi Charitable Foundation”	The Tsang Hin Chi Charitable Foundation, a charitable trust exempted under section 88 of the Inland Revenue Ordinance, which is controlled by Mr. Tsang

“US” the United States of America

“%” per cent.

By the order of the board of directors
Grand Sunny Limited
Tsang Chi Ming Ricky
Director

By the order of the Board
Goldlion Holdings Limited
Kam Yiu Kwok
Company Secretary

Hong Kong, 17 December 2024

As at the Announcement Date, the Board comprises Mr. Tsang Chi Ming, Ricky (Chairman and Chief Executive Officer) as an executive Director; Mr. Ng Ming Wah, Charles as a non-executive Director; and Mr. Li Ka Fai, David, Ms. Lo Wing Sze and Mr. Chan Kwong Ming, Johnny as independent non-executive Directors.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Offeror and 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 the opinions expressed by the sole director of the Offeror in his capacity as such) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the Announcement Date, the sole director of the Offeror is Mr. Tsang Chi Ming Ricky.

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