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HOME OFFICE DEVELOPMENT LIMITED HOWKINGTECH INTERNATIONAL HOLDING LIMITED

濠曝科技國際控股有限公司*

(Incorporated in British Virgin Island with limited liability) (Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2440)

JOINT ANNOUNCEMENT

- (1) ACQUISITION OF SHARES IN HOWKINGTECH INTERNATIONAL HOLDING LIMITED BY HOME OFFICE DEVELOPMENT LIMITED;
(2) POSSIBLE MANDATORY UNCONDITIONAL CASH OFFERS BY LEGO SECURITIES LIMITED
FOR AND ON BEHALF OF HOME OFFICE DEVELOPMENT LIMITED TO ACQUIRE ALL THE ISSUED SHARES OF AND TO CANCEL ALL OUTSTANDING SHARE OPTIONS OF HOWKINGTECH INTERNATIONAL HOLDING LIMITED (OTHER THAN THOSE ALREADY OWNED AND/OR AGREED TO BE ACQUIRED BY HOME OFFICE DEVELOPMENT LIMITED AND/OR PARTIES ACTING IN CONCERT WITH IT);
AND
(3) RESUMPTION OF TRADING**

Financial adviser to Home Office Development Limited



THE SPAS

The Company was informed by the Selling Shareholders that on 17 January 2025 (after trading hours), (i) the Controlling Selling Shareholder, the corresponding Guarantors and the Offeror entered into the Controlling Shareholder SPA, pursuant to which the Controlling Selling Shareholder has conditionally agreed to sell and the Offeror has conditionally agreed to purchase 121,124,579 Sale Shares, representing approximately 53.83% of the entire issued share capital of the Company as at the date of this joint announcement, at a consideration of HK\$107,679,750.7, equivalent to approximately HK\$0.889 per Sale Share; and (ii) the Other Selling Shareholders, the corresponding Guarantors (where applicable in respect of the Other SPA 1, the Other SPA 3, Other SPA 4, the Other SPA 7 and the Other SPA 8 only) and the Offeror entered into the respective Other SPAs, pursuant to which the Other Selling Shareholders have conditionally agreed to sell and the Offeror has conditionally agreed to purchase an aggregate of 36,630,821 Sale Shares, representing approximately 16.28% of the entire issued share capital of the Company as at the date of this joint announcement, at an aggregate consideration of HK\$32,564,799.5, equivalent to approximately HK\$0.889 per Sale Share. The consideration for the Sale Shares under each of the SPAs was agreed between the Offeror and each of the Selling Shareholders after arm's length negotiations with reference to the prevailing closing prices of the Shares. Completion shall take place on the Completion Date.

POSSIBLE MANDATORY UNCONDITIONAL CASH OFFERS

As at the date of this joint announcement, the Offeror, its ultimate beneficial owner, or parties acting in concert with any of them do not own, control or have direction over any Shares or any outstanding options, derivatives, warrants or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company which are convertible and exchangeable into Shares.

Upon Completion, the Offeror and parties acting in concert with it will be in aggregate interested in a total of 157,755,400 Shares, representing approximately 70.11% of the total issued share capital of the Company. Pursuant to Rule 26.1 and Rule 13.5 of the Takeovers Code, subject to Completion, the Offeror is required to make mandatory unconditional cash offers (i) to acquire all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror and/or parties acting in concert with it) and (ii) to cancel all the outstanding Share Options.

As at the date of this joint announcement, the Company has (i) a total of 225,000,000 Shares in issue; and (ii) 22,350,000 outstanding Share Options conferring rights to subscribe for 22,350,000 new Shares with an exercise price of HK\$1.56 per Share Option, all of which have been granted pursuant to the Share Option Scheme. Save for the Share Options mentioned above, the Company does not have any outstanding options, derivatives, warrants or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) which are convertible or exchangeable into the Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares. The Company has no intention to grant any new share awards under the Share Award Scheme during the Offer Period.

Principal terms of the Offers

The Offers will be made by Lego Securities, on behalf of the Offeror and in compliance with the Takeovers Code on the following basis:

The Share Offer

For each Offer Share HK\$0.889 in cash

The Share Offer Price of HK\$0.889 per Offer Share is marginally higher than the consideration of approximately HK\$0.889 (after rounding up to 3 decimal places) per Sale Share under the SPAs. The Offer Shares to be acquired under the Share Offer shall be fully paid and free and clear of any Encumbrances together with all rights attaching thereto, including the right to receive all and any dividends, distribution and other rights declared, made, distributed or paid on or after the date on which the Share Offer is made, being the date of despatch of the Composite Document.

As at the date of this joint announcement, no outstanding dividend declared by the Company remains unpaid, and the Board advised that the Company has no intention to make, declare or pay any future dividend or make other distributions until after the close of the Share Offer.

The Option Offer

For cancellation of each Share Option HK\$0.0001 in cash

Pursuant to Rule 13 of the Takeovers Code, the Offeror will make an appropriate cash offer to the Optionholders for the cancellation of the Share Options. The Option Offer Price would normally be the see-through price which represents the amount by which the Share Offer Price per Offer Share exceeds the exercise price of each Share Option. Under the Option Offer, as the exercise price of all outstanding Options exceeds the Share Offer Price, the “see-through” price is negative and the Option Offer Price is at the nominal amount of HK\$0.0001 per Share Option.

The Share Offer will be extended to all Offer Shareholders and the Option Offer will be extended to all Optionholders (whether their respective Share Options are vested or not) in accordance with the Takeovers Code. Following acceptance of the Option Offer, the Share Options together with all rights attaching thereto will be entirely cancelled and renounced.

The Offers will be unconditional in all aspects when being made, and will not be conditional upon any minimum level of acceptances being received or any other conditions.

Value of the Offers

As at the date of this joint announcement, the Company has a total of 225,000,000 Shares in issue and 22,350,000 outstanding Share Options.

Assuming no Share Options will be exercised prior to the close of the Offers, there will be 225,000,000 issued Shares. Excluding the 157,755,400 Shares to be held by the Offeror and/or parties acting in concert with it upon Completion; and assuming no change in the issued share capital of the Company from the date of this joint announcement up to the close of the Offers, (a) 67,244,600 Shares will be subject to the Share Offer and the value of the Share Offer will be HK\$59,780,449.4; and (b) the total consideration required to satisfy the cancellation of all the outstanding Share Options will be HK\$2,235.0. Accordingly, on the basis of full acceptance of the Offers, the maximum cash consideration payable by the Offeror under the Offers would be HK\$59,782,684.4.

Assuming all Share Options will be exercised prior to the close of the Offers, there will be 247,350,000 issued Shares. Excluding the 157,755,400 Shares to be held by the Offeror and/or parties acting in concert with it upon Completion; and assuming no change in the issued share capital of the Company from the date of this joint announcement up to the close of the Offers, (a) 89,594,600 Shares will be subject to the Share Offer and the value of the Share Offer will be HK\$79,649,599.4; and (b) the total consideration required to satisfy the cancellation of all the outstanding Share Options will be nil. Accordingly, on the basis of full acceptance of the Offers, the maximum cash consideration payable by the Offeror under the Offers would be HK\$79,649,599.4.

Confirmation of financial resources

The Offeror intends to finance and satisfy the consideration payable under the SPAs and the Offers from its internal resources.

Lego Corporate Finance, being the financial advisers to the Offeror in respect of the Offers, is satisfied that sufficient financial resources are, and will remain, available to the Offeror to satisfy the consideration for the Sale Shares and the consideration payable by the Offeror upon full acceptance of the Offers.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 2.1 and Rule 2.8 of the Takeovers Code, the Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Gu Jiong, Mr. Yang Hai and Mr. Fong Wo, Felix, has been established to make recommendations to the Offer Shareholders and the Optionholders as to whether the Share Offer and the Option Offer are fair and reasonable and as to the acceptance of the Share Offer and the Option Offer.

The Company will appoint the Independent Financial Adviser (with the approval of the Independent Board Committee) to advise the Independent Board Committee in respect of the Offers and as to whether the Offers are fair and reasonable and as to acceptance of the Offers pursuant to Rule 2.1 of the Takeovers Code after the date of this joint announcement. A further announcement will be made by the Company after the Independent Financial Adviser has been appointed.

DESPATCH OF THE COMPOSITE DOCUMENT

It is the intention of the Offeror and the Company to combine the offer document and the offeree board circular into the Composite Document and be jointly despatched by the Offeror and the Company to the Shareholders and the Optionholders in accordance with the requirements of the Takeovers Code after the Completion takes place. Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document containing, among other things, (i) the terms of the Offers; (ii) the recommendation from the Independent Board Committee to the Offer Shareholders and the Optionholders; and (iii) the advice from the Independent Financial Adviser in respect of the Offers, together with the Form(s) of Acceptance, will be despatched to the Shareholders within 21 days after the date of this joint announcement, or such later date as the Executive may approve. Further announcement(s) regarding the despatch of the Composite Document will be made by the Offeror and the Company as and when appropriate.

RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 20 January 2025 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 on the Stock Exchange with effect from 9:00 a.m. on 27 January 2025.

WARNING

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

The making of the Offers is subject to Completion such that the Offers may or may not proceed. The issue of this joint announcement does not in any way imply that the Offers will be made. Shareholders, Optionholders and potential investors should exercise caution when dealing in the securities of the Company. If the Shareholders, Optionholders and potential investors are in any doubt about their position, they should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

THE SPAS

The Company was informed by the Selling Shareholders that on 17 January 2025 (after trading hours), (i) the Controlling Selling Shareholder, the corresponding Guarantors and the Offeror entered into the Controlling Shareholder SPA; and (ii) the Other Selling Shareholders, the corresponding Guarantors (where applicable in respect of the Other SPA 1, the Other SPA 3, the Other SPA 4, the Other SPA 7 and the Other SPA 8 only) and the Offeror entered into the respective Other SPAs. The principal terms of the SPAs are summarised below:

The Controlling Shareholder SPA

Date	:	17 January 2025 (after trading hours)
Parties	:	
Vendor	:	Howkingtech Holding Limited
Purchaser	:	Home Office Development Limited, being the Offeror
Guarantors	:	(i) Dr. Chen, the executive Director and chairman of the Board; (ii) Ms. Wang, who holds 56.80% of the equity interests of and is the sole director of Howkingtech Holding Limited as at the date of this joint announcement; and (iii) Ms. Jin, who holds 43.20% of the equity interests of Howkingtech Holding Limited as at the date of this joint announcement

The Other SPA 1

Date	:	17 January 2025 (after trading hours)
Parties	:	
Vendor	:	Other Selling Shareholder 1
Purchaser	:	Home Office Development Limited, being the Offeror
Guarantor	:	Ningbo Xinhui Qianhai Equity Investment Co., Ltd. (寧波信匯前海股權投資有限公司), the ultimate general partner of the Other Selling Shareholder 1

The Other SPA 2

Date	:	17 January 2025 (after trading hours)
Parties	:	
Vendor	:	Other Selling Shareholder 2
Purchaser	:	Home Office Development Limited, being the Offeror

The Other SPA 3

Date : 17 January 2025 (after trading hours)

Parties :

Vendor : Other Selling Shareholder 3

Purchaser : Home Office Development Limited, being the Offeror

Guarantor : Chen Ning (陳寧), the legal representative of the general partner of the Other Selling Shareholder 3

The Other SPA 4

Date : 17 January 2025 (after trading hours)

Parties :

Vendor : Other Selling Shareholder 4

Purchaser : Home Office Development Limited, being the Offeror

Guarantor : Shanghai MoShan Private Fund Management Company Ltd. (上海魔善私募基金管理有限公司), the general partner of the Other Selling Shareholder 4

The Other SPA 5

Date : 17 January 2025 (after trading hours)

Parties :

Vendor : Other Selling Shareholder 5

Purchaser : Home Office Development Limited, being the Offeror

The Other SPA 6

Date : 17 January 2025 (after trading hours)

Parties :

Vendor : Other Selling Shareholder 6

Purchaser : Home Office Development Limited, being the Offeror

The Other SPA 7

Date	:	17 January 2025 (after trading hours)
Parties	:	
Vendor	:	Other Selling Shareholder 7
Purchaser	:	Home Office Development Limited, being the Offeror
Guarantor	:	Li Xubing (李許兵), the legal representative of the general partner of the Other Selling Shareholder 7

The Other SPA 8

Date	:	17 January 2025 (after trading hours)
Parties	:	
Vendor	:	Other Selling Shareholder 8
Purchaser	:	Home Office Development Limited, being the Offeror
Guarantor	:	Huang Huifang (黃惠芳), the general partner of the Other Selling Shareholder 8

Subject of the SPAs

Below is a summary of the number of Sale Shares conditionally to be sold by the respective Selling Shareholders to the Offeror and the corresponding consideration under the respective SPAs:

The respective SPAs	Number of Sale Shares conditionally to be sold under the respective SPAs	Approximate percentage of the entire issued share capital of the Company as at the date of this joint announcement	Consideration under the respective SPAs (HK\$)
The Controlling Shareholder SPA	121,124,579	53.83%	107,679,750.7
The Other SPA 1	14,214,000	6.32%	12,636,246.0
The Other SPA 2	7,475,891	3.32%	6,646,067.0
The Other SPA 3	3,644,757	1.62%	3,240,188.9
The Other SPA 4	3,061,618	1.36%	2,721,778.4
The Other SPA 5	2,131,394	0.95%	1,894,809.2
The Other SPA 6	2,131,394	0.95%	1,894,809.2
The Other SPA 7	2,102,700	0.93%	1,869,300.3
The Other SPA 8	1,869,067	0.83%	1,661,600.5
Total	157,755,400	70.11%	140,244,550.2

The Sale Shares shall be free from all Encumbrances and together with all rights attaching thereto, including the right to receive all and any dividends, distribution and other rights declared, made, distributed or paid in respect of the Sale Shares, the record date for which falls on a date which is on or after the Completion Date.

Consideration for the Sale Shares

The Controlling Shareholder SPA

Pursuant to the Controlling Shareholder SPA, the aggregate consideration for 121,124,579 Sale Shares is HK\$107,679,750.7, representing approximately HK\$0.889 per Sale Share, which was agreed between the Offeror and the Controlling Selling Shareholder after arm's length negotiations with reference to the prevailing closing prices of the Shares. The consideration shall be satisfied by the Offeror in the following manners:

- (i) the Offeror shall procure Lego Securities to release and transfer the Earnest Money of HK\$1,000,000, which forms part of the consideration for the Sale Shares, from the Escrow Account to the account(s) designated by the Controlling Selling Shareholder within two Business Days after the date of the Controlling Shareholder SPA; and
- (ii) subject to the conditions precedent to the Controlling Shareholder SPA having been fulfilled or waived (as the case may be), the Offeror shall pay the remaining portion (after deducting the Earnest Money), in cash to the Controlling Selling Shareholder upon completion of the Controlling Shareholder SPA.

The Earnest Money in the amount of HK\$1,000,000 was deposited by the Offeror to the Escrow Account pursuant to the MOU, and was intended to be applied and credited towards settlement of the consideration for the Sale Shares under the Controlling Shareholder SPA. The payment of the Earnest Money was determined after arm's length negotiations between the Offeror and the Controlling Selling Shareholder after taking into account of the controlling stake of the Sale Shares held by the Controlling Selling Shareholder.

As at the date of this joint announcement, the Earnest Money of HK\$1,000,000 has been released from the Escrow Account to the account(s) designated by the Controlling Selling Shareholder pursuant to paragraph (i) above.

The Other SPAs

Pursuant to the Other SPA 1, the Other SPA 2, the Other SPA 3, the Other SPA 4, the Other SPA 5, the Other SPA 6, the Other SPA 7 and the Other SPA 8, the respective aggregate considerations for 14,214,000 Sale Shares, 7,475,891 Sale Shares, 3,644,757 Sale Shares, 3,061,618 Sale Shares, 2,131,394 Sale Shares, 2,131,394 Sale Shares, 2,102,700 Sale Shares and 1,869,067 Sale Shares are HK\$12,636,246.0, HK\$6,646,067.0, HK\$3,240,188.9, HK\$2,721,778.4, HK\$1,894,809.2, HK\$1,894,809.2, HK\$1,869,300.3 and HK\$1,661,600.5, each representing approximately HK\$0.889 per Sale Share, which was agreed between the Offeror and the respective Other Selling Shareholders after arm's length negotiations with reference to the prevailing closing prices of the Shares. Subject to the conditions precedent to the respective Other SPAs having been fulfilled or waived (as the case may be), the Offeror shall pay the respective considerations in cash to the respective Other Selling Shareholders upon completion of the respective Other SPAs.

Conditions precedent to the SPAs

Completion of each of the SPAs is subject to the satisfaction or, where applicable, waiver of the following conditions on or before the corresponding completion date:

- (a) the Shares remaining listed and traded on the Main Board at all times from the date of the relevant SPA up to and including the corresponding completion date, no notification or indication having been received from the Stock Exchange or the SFC prior to the corresponding completion that the Company may not be suitable for listing for the purpose of the Listing Rules, the current listing of the Shares not having been cancelled or withdrawn, and the trading of the Shares not having been suspended or put on halt for more than two consecutive trading days, other than pending publication of this joint announcement or other announcements of the Company in relation to the sale and purchase of the Sale Shares and/or the Offers;
- (b) the relevant Selling Shareholders, the relevant Guarantors (where applicable in respect of the Controlling Shareholder SPA, the Other SPA 1, the Other SPA 3, the Other SPA 4, the Other SPA 7 and the Other SPA 8 only) and the Group (where applicable, and solely in respect of the Controlling Shareholder SPA) having obtained all necessary corporate approval, third party, governmental, regulatory and/or tax consent, approval or waiver in relation to the sale and purchase of the Sale Shares contemplated under the corresponding SPA, and such consent, approval or waiver remaining in full force and effect;
- (c) the Offeror having obtained all necessary corporate approval, third party, governmental, regulatory and/or tax consent, approval or waiver in relation to the sale and purchase of the Sale Shares contemplated under the corresponding SPA, and such consent, approval or waiver remaining in full force and effect;
- (d) the warranties provided by the relevant Selling Shareholder and the relevant Guarantors (where applicable in respect of the Controlling Shareholder SPA, the Other SPA 1, the Other SPA 3, the Other SPA 4, the Other SPA 7 and the Other SPA 8 only) under the corresponding SPA remaining true and accurate in all material respects and not misleading in any respect, and none of the corresponding Selling Shareholder and the corresponding applicable Guarantors otherwise being in material breach of their respective obligations thereunder on and as at the date of the relevant SPA and the corresponding completion date;
- (e) the representations, warranties and undertakings given by the Offeror pursuant to the relevant SPA remaining true and accurate in all material respects and not misleading in any respect and the Offeror not otherwise being in material breach of its obligations thereunder on and as at the date of the relevant SPA and the corresponding completion date;
- (f) the sale and purchase of the Sale Shares pursuant to other SPAs having been completed simultaneously; and
- (g) the SFC and, where applicable, the Stock Exchange having confirmed that they have no further comment on this joint announcement, and all other necessary consents, approvals, confirmations and waivers in relation to the sale and purchase of the Sale Shares contemplated under the SPAs having been obtained from the Stock Exchange and the SFC, and remaining valid and in full force and effect.

Each party to the SPAs shall exercise its best endeavours to procure the satisfaction of the conditions above.

Pursuant to the SPAs, conditions (a), (b) and (d) may be waived by the Offeror, while conditions (c) and (e) may be waived by the corresponding Selling Shareholders. Further, condition (f) may be waived by the Offeror under any of the SPAs or the Controlling Selling Shareholder under the Controlling Shareholder SPA. If any of the conditions has not been satisfied at or before 12:00 noon on the corresponding completion date, then the Offeror (in the event that any of the conditions (a), (b), (d) or (f) is not satisfied), the Controlling Selling Shareholder (in the event that any of the conditions (c), (e) or (f) is not satisfied) or the corresponding Other Selling Shareholder (in the event that any of the conditions (c) or (e) is not satisfied) may, at its option (but without prejudice to any other right or remedy it may have), by notice to the other parties to the relevant SPA elect to (i) waive such condition(s); or (ii) postpone the corresponding completion date to a date (being a Business Day) no later than the Long Stop Date; or (iii) terminate the relevant SPA and all other rights and obligations of the parties to the relevant SPA shall cease immediately. As at the date of this joint announcement, neither the Offeror nor the Controlling Selling Shareholder has any intention to waive condition (f) and Completion of all of the SPAs shall take place simultaneously. In the very unlikely event that condition (f) is waived, completion of the Controlling Shareholder SPA may take place prior to completion of the Other SPAs and in such case, only completion of the Controlling Shareholder SPA will take place on the first Business Day after condition (g) has been fulfilled. For the avoidance of doubt, condition (g) above is not capable of being waived in any circumstances.

As at the date of this joint announcement, conditions (b), (c) and (g) above have been satisfied in respect of each of the SPAs.

Save for the identities of the vendors, the number of Sale Shares and the corresponding total consideration and the provision of guarantees by the Guarantors (where applicable), all material terms of the SPAs are the same or substantially similar.

Completion

Completion of the respective SPAs are inter-conditional upon each other and shall take place simultaneously as neither the Offeror nor the Controlling Selling Shareholder has any intention to waive condition (f). It is expected that Completion shall take place on 27 January 2025, being the first Business Day after condition (g) to the respective SPAs have been fulfilled.

Guarantee

Pursuant to the Controlling Shareholder SPA, the Other SPA 1, the Other SPA 3, the Other SPA 4, the Other SPA 7 and the Other SPA 8, respectively, the corresponding Guarantors, jointly and severally, unconditionally and irrevocably guarantee to the Offeror the due and punctual performance and observance by the corresponding Selling Shareholders of all their respective obligations, undertakings and warranties thereunder.

POSSIBLE MANDATORY UNCONDITIONAL CASH OFFERS

As at the date of this joint announcement, the Offeror, its ultimate beneficial owner or parties acting in concert with any of them do not own, control or have direction over any Shares or any outstanding options, derivatives, warrants or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company which are convertible and exchangeable into Shares.

Upon Completion, the Offeror and parties acting in concert with it will be in aggregate interested in a total of 157,755,400 Shares, representing approximately 70.11% of the total issued share capital of the Company. Pursuant to Rule 26.1 and Rule 13.5 of the Takeovers Code, subject to Completion, the Offeror is required to make mandatory unconditional cash offers (i) to acquire all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror and/or parties acting in concert with it) and (ii) to cancel all the outstanding Share Options.

As at the date of this joint announcement, the Company has (i) a total of 225,000,000 Shares in issue; and (ii) 22,350,000 outstanding Share Options conferring rights to subscribe for 22,350,000 new Shares with an exercise price of HK\$1.56 per Share Option, all of which have been granted pursuant to the Share Option Scheme. Save for the Share Options mentioned above, the Company does not have any outstanding options, derivatives, warrants or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) which are convertible or exchangeable into the Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares. The Company has no intention to grant any new share awards under the Share Award Scheme during the Offer Period.

Principal terms of the Offers

The Offers will be made by Lego Securities, on behalf of the Offeror and in compliance with the Takeovers Code on the following basis:

The Share Offer

For each Offer Share HK\$0.889 in cash

The Share Offer Price of HK\$0.889 per Offer Share is marginally higher than the consideration of approximately HK\$0.889 (after rounding up to 3 decimal places) per Sale Share under each of the SPAs. The Offer Shares to be acquired under the Share Offer shall be fully paid and free and clear of any Encumbrances together with all rights attaching thereto, including the right to receive all and any dividends, distribution and other rights declared, made, distributed or paid on or after the date on which the Share Offer is made, being the date of despatch of the Composite Document.

As at the date of this joint announcement, no outstanding dividend declared by the Company remains unpaid, and the Board advised that the Company has no intention to make, declare or pay any future dividend or make other distributions until after the close of the Share Offer. If, after the date of this joint announcement, any dividend or other distribution is made or paid in respect of the Offer Shares, the Offeror reserves the right to reduce the Offer Price by an amount equal to the net amount of such dividend or other distribution.

The Option Offer

For cancellation of each Share Option.HK\$0.0001 in cash

Pursuant to Rule 13 of the Takeovers Code, the Offeror will make an appropriate cash offer to the Optionholders for the cancellation of the Share Options. The Option Offer Price would normally be the see-through price which represents the amount by which the Share Offer Price per Offer Share exceeds the exercise price of each Share Option. Under the Option Offer, as the exercise price of all outstanding Share Options exceeds the Share Offer Price, the “see-through” price is negative and the Option Offer Price is at the nominal amount of HK\$0.0001 per Share Option.

The Share Offer will be extended to all Offer Shareholders and the Option Offer will be extended to all Optionholders (whether their respective Share Options are vested or not) in accordance with the Takeovers Code. Following acceptance of the Option Offer, the Share Options together with all rights attaching thereto will be entirely cancelled and renounced.

The Offers will be unconditional in all aspects when being made, and will not be conditional upon any minimum level of acceptances being received or any other conditions.

Comparison of value

The Share Offer Price of HK\$0.889 per Offer Share represents:

- (i) a premium of approximately 8.41% over the closing price of HK\$0.820 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 19.81% over the average closing price of HK\$0.742 per Share based on the daily closing prices as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;
- (iii) a premium of approximately 28.84% over the average closing price of HK\$0.690 per Share based on the daily closing prices as quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to and including the Last Trading Day;
- (iv) a premium of approximately 19.17% over the average closing price of approximately HK\$0.746 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Day;
- (v) a discount of approximately 29.83% to the audited consolidated net asset value of the Company attributable to the Shareholders of approximately HK\$1.267 per Share as at 31 December 2023, calculated by dividing the audited consolidated net asset value of the Company attributable to the Shareholders of approximately RMB268,377,000 (equivalent to approximately HK\$285,043,212) as at 31 December 2023 by 225,000,000 Shares in issue as at the date of this joint announcement; and

- (vi) a discount of approximately 22.15% to the unaudited consolidated net asset value of the Company attributable to the Shareholders of approximately HK\$1.142 per Share as at 30 June 2024, calculated by dividing the unaudited consolidated net asset value of the Company attributable to the Shareholders of approximately RMB241,830,000 (equivalent to approximately HK\$256,847,643) as at 30 June 2024 by 225,000,000 Shares in issue as at the date of this joint announcement.

Highest and lowest Share prices

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the six-month period immediately preceding the commencement of the Offer Period and up to and including the Last Trading Day were HK\$1.10 per Share on 8, 9, 12 to 15 August 2024, and HK\$0.60 per Share on 7 January 2025, respectively.

Value of the Offers

As at the date of this joint announcement, the Company has a total of 225,000,000 Shares in issue and 22,350,000 outstanding Share Options.

Assuming no Share Options will be exercised prior to the close of the Offers, there will be 225,000,000 issued Shares. Excluding the 157,755,400 Shares to be held by the Offeror and/or parties acting in concert with it upon Completion; and assuming no change in the issued share capital of the Company from the date of this joint announcement up to the close of the Offers, (a) 67,244,600 Shares will be subject to the Share Offer and the value of the Share Offer will be HK\$59,780,449.4; and (b) the total consideration required to satisfy the cancellation of all the outstanding Share Options will be HK\$2,235.0. Accordingly, on the basis of full acceptance of the Offers, the maximum cash consideration payable by the Offeror under the Offers would be HK\$59,782,684.4.

Assuming all Share Options will be exercised prior to the close of the Offers, there will be 247,350,000 issued Shares. Excluding the 157,755,400 Shares to be held by the Offeror and/or parties acting in concert with it upon Completion; and assuming no change in the issued share capital of the Company from the date of this joint announcement up to the close of the Offers, (a) 89,594,600 Shares will be subject to the Share Offer and the value of the Share Offer will be HK\$79,649,599.4; and (b) the total consideration required to satisfy the cancellation of all the outstanding Share Options will be nil. Accordingly, on the basis of full acceptance of the Offers, the maximum cash consideration payable by the Offeror under the Offers would be HK\$79,649,599.4.

Confirmation of financial resources

The Offeror intends to finance and satisfy the consideration payable under the SPAs and the Offers from its internal resources.

Lego Corporate Finance, being the financial advisers to the Offeror in respect of the Offers, is satisfied that sufficient financial resources are, and will remain, available to the Offeror to satisfy the consideration for the Sale Shares and the consideration payable by the Offeror upon full acceptance of the Offers.

Effect of accepting the Offers

By accepting the Share Offer, the Offer Shareholders will sell their tendered Shares to the Offeror which shall be fully paid and free and clear of any lien and together with all rights attaching to them, including all rights to any dividend or other distribution declared, made or paid on or after the date on which the Share Offer is made, being the date of despatch of the Composite Document. As at the date of this joint announcement, no outstanding dividend declared by the Company remains unpaid, and it is advised by the Board that the Company has no intention to make, declare or pay any future dividend or make other distributions until after the close of the Share Offer.

By accepting the Option Offer, the Optionholders will agree to the cancellation of their tendered Share Options and all rights attached thereto with effect from the date on which the Option Offer is made, being the date of despatch of the Composite Document.

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

Validity of Share Options upon close of the Offers

Pursuant to the Share Option Scheme, when the Composite Document is despatched, the Company shall forthwith notify all the grantees and any grantee (or his personal representatives) may by notice in writing to the Company within 21 days after the despatch of the Composite Document exercise the Share Options (not already exercised, whether vested or not vested) to its full extent or to the extent specified in such notice and after which the Share Options shall lapse automatically.

Hong Kong stamp duty

The seller's Hong Kong ad valorem stamp duty will be payable by the Offer Shareholders on acceptances of the Share Offer at a rate of 0.10% 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, whichever is higher, and the amount of such duty 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 Offer Shareholders who accept the Share Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Share Offer and the transfer of the relevant Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

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

Payment

Payment in cash in respect of the Offers will be made as soon as possible but in any event no later than seven (7) business days as defined in the Takeovers Code (each being a day on which the Stock Exchange is open for the transaction of business) following the date on which the duly completed Form(s) of Acceptance and the relevant documents of title of the Shares or the Share Options (as the case may be) are received by the Registrar in respect of the Share Offer or the Company in respect of the Option Offer to render each such acceptance under the Offers complete and valid pursuant to Rule 20.1 and Note 1 to Rule 30.2 of the Takeovers Code.

No fractions of a cent will be payable and the amount of cash consideration payable to any person who accept the Offers will be rounded up to the nearest cent.

Taxation advice

Offer Shareholders and 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 Offers. None of the Offeror and/or parties acting in concert with it, the Company, Lego Securities, Lego Corporate Finance and (as the case may be) their respective ultimate beneficial owners, directors, officers, agents, advisers or associates or any other person involved in the Offers accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offers.

Availability of the Offers

The Offeror intends to make the Offers available to all Offer Shareholders and Optionholders, including the Overseas Shareholders and Overseas Optionholders. However, the Offers to persons not resident in Hong Kong may be affected by the laws and regulations of the relevant jurisdiction in which they are resident. The making of the Offers to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or limited by the laws or regulations of the relevant jurisdictions. Overseas Shareholders and/or Overseas Optionholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should fully observe any applicable legal or regulatory requirements and, where necessary, seek independent legal advice. It is the responsibilities of the Overseas Shareholders and the Overseas Optionholders who wish to accept the Offers to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offers (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 from such Overseas Shareholders and/or Overseas Optionholders in respect of such jurisdictions).

In the event the receipt of the Composite Document by the Overseas Shareholders and/or the Overseas Optionholders is prohibited by any applicable laws and regulations and 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 Shareholders and/or Overseas Optionholders. In those circumstances, the Offeror will apply for any waivers as may be required by the Executive pursuant to Note 3 to Rule 8 of the Takeovers Code as soon as practicable.

Any acceptance of the Offers by any Overseas Shareholders and/or Overseas Optionholders will be deemed to constitute a representation and warranty from such Overseas Shareholders and/or Overseas Optionholders to the Offeror that the local laws and requirements have been complied with. Overseas Shareholders and Overseas Optionholders should consult their professional advisers if in doubt.

DEALING AND INTERESTS IN THE SECURITIES OF THE COMPANY

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

- (i) save for the Sale Shares to be acquired by the Offeror, none of the Offeror, its ultimate beneficial owner or parties acting in concert with any of them owns or has control or direction over any voting rights or rights over the Shares, convertible securities, warrants, options of the Company or any derivatives in respect of such securities;
- (ii) save for the conditional disposal of the Shares by the Selling Shareholders to the Offeror under the SPAs, there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Shares which might be material to the Offers;
- (iii) save for the SPAs, there is no agreement or arrangement to which any of the Offeror or parties acting in concert with it is a party which relates to circumstances in which the Offeror may or may not invoke or seek to invoke a pre-condition or a condition to the Offers;
- (iv) none of the Offeror, its ultimate beneficial owner or parties acting in concert with any of them has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company;
- (v) none of the Offeror, its ultimate beneficial owner or parties acting in concert with any of them has received any irrevocable commitment to accept or reject the Offers;
- (vi) there is no outstanding derivative in respect of the securities in the Company which has been entered into by the Offeror or parties acting in concert with it;
- (vii) save for the consideration for the Sale Shares payable by the Offeror to the Selling Shareholders under the SPAs, there is no other consideration, compensation or benefits in whatever form paid or to be paid by the Offeror, its ultimate beneficial owner or parties acting in concert with any of them to each of the Selling Shareholders, its ultimate beneficial owners or parties acting in concert with it in connection with the sale and purchase of the Sale Shares under the SPAs;
- (viii) save for the SPAs, there is no understanding, arrangement or agreement or special deal (as defined in Rule 25 of the Takeovers Code) between each of the Selling Shareholders, its ultimate beneficial owners or parties acting in concert with any of them on one hand, and the Offeror or parties acting in concert with it on the other hand; and
- (ix) save for the SPAs, there is no understanding, arrangement or agreement or special deal (as defined in Rule 25 of the Takeovers Code) between (1) any Shareholder; and (2)(a) the Offeror and parties acting in concert with it, or (b) the Company, its subsidiaries or associated companies.

INFORMATION ON THE GROUP

The Company was incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board. The Group is principally engaged in the provision of (i) data transmission and processing services for Internet of Thing applications; and (ii) telecommunication equipment in the PRC.

The following is a summary of (i) the audited financial results of the Group for each of the two years ended 31 December 2023; and (ii) the unaudited financial results of the Group for the six months ended 30 June 2024 as extracted from the annual report of the Company for the year ended 31 December 2023 and the interim report of the Company for the six months ended 30 June 2024, respectively.

	For the six months ended 30 June 2024	For the year ended 31 December 2023	For the year ended 31 December 2022
	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i> <i>(audited)</i>	<i>RMB'000</i> <i>(audited)</i>
Revenue	31,050	440,550	323,964
Profit/(loss) before tax	(30,742)	34,456	33,234
Profit/(loss) after tax	(30,742)	25,493	28,504

As at 31 December 2023, the audited consolidated net asset value of the Company attributable to the Shareholders amounted to approximately RMB268,377,000. As at 30 June 2024, the unaudited consolidated net asset value of the Company attributable to the Shareholders amounted to approximately RMB241,830,000.

SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) as at the date of this joint announcement and immediately prior to Completion; (ii) immediately after Completion (assuming none of the Share Options have been exercised); and (iii) immediately after Completion (assuming all Share Options have been exercised).

Shareholders	As at the date of this joint announcement and immediately prior to Completion		Immediately after Completion (assuming none of the Share Options have been exercised)		Immediately after Completion (assuming all Share Options have been exercised)	
	<i>Number of Shares</i>	<i>%</i> <i>(Approximate)</i>	<i>Number of Shares</i>	<i>%</i> <i>(Approximate)</i>	<i>Number of Shares</i>	<i>%</i> <i>(Approximate)</i>
The Offeror and parties acting in concert with it	-	-	157,755,400	70.11	157,755,400	63.78
The Controlling Selling Shareholder and parties acting in concert with it						
- Vendor	121,124,579	53.83	-	-	-	-
- Ms. Wang	-	-	-	-	8,902,097	3.60
Sub-total	121,124,579	53.83	-	-	8,902,097	3.60

Shareholders	As at the date of this joint announcement and immediately prior to Completion		Immediately after Completion (assuming none of the Share Options have been exercised)		Immediately after Completion (assuming all Share Options have been exercised)	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
	<i>(Approximate)</i>		<i>(Approximate)</i>		<i>(Approximate)</i>	
Other Selling Shareholders						
– Other Selling Shareholder 1	14,214,000	6.32	–	–	–	–
– Other Selling Shareholder 2	7,475,891	3.32	–	–	–	–
– Other Selling Shareholder 3	3,644,757	1.62	–	–	–	–
– Other Selling Shareholder 4	3,061,618	1.36	–	–	–	–
– Other Selling Shareholder 5	2,131,394	0.95	–	–	–	–
– Other Selling Shareholder 6 <i>(Note)</i>	2,131,394	0.95	–	–	325,000	0.13
– Other Selling Shareholder 7	2,102,700	0.93	–	–	–	–
– Other Selling Shareholder 8	1,869,067	0.83	–	–	–	–
Sub-total	36,630,821	16.28	–	–	325,000	0.13
Other Directors						
– Mr. Feng <i>(Note)</i>	–	–	–	–	5,913,416	2.39
– Mr. Wang <i>(Note)</i>	–	–	–	–	3,184,487	1.29
Sub-total	–	–	–	–	9,097,903	3.68
Public Shareholders <i>(Note)</i>	67,244,600	29.89	67,244,600	29.89	71,269,600	28.81
Total	225,000,000	100.00	225,000,000	100.00	247,350,000	100.00

Note:

As at the date of this joint announcement, 5,913,416 Share Options and 3,184,487 Share Options have been respectively granted to Mr. Feng and Mr. Wang, each being an executive Director, and 4,350,000 Share Options have been granted to employee participants, whereby the Other Selling Shareholder 6 is one of such employee participants holding 325,000 Share Options and the other nine employees of the Group holding the remaining 4,025,000 Share Options.

INFORMATION ON THE SELLING SHAREHOLDERS

Controlling Selling Shareholder is a company incorporated in the British Virgin Islands with limited liability which held 121,124,579 Shares, representing approximately 53.83% of the issued share capital of the Company as at the date of the Controlling Shareholder SPA and immediately prior to Completion. As at the date of this joint announcement, the Controlling Selling Shareholder is respectively directly held as to 56.80% by Ms. Wang, the spouse of Dr. Chen who is an executive Director and the chairman of the Board, and 43.20% by Ms. Jin.

The Other Selling Shareholder 1, namely Shanghai Jinyuan Changfu Enterprise Management Partnership (Limited Partnership) (上海進源長富企業管理合夥企業(有限合夥)), is a limited liability partnership established under the laws of the PRC and a beneficial owner of 14,214,000 Shares, representing approximately 6.32% of the issued share capital of the Company as at the date of the Other SPA 1 and immediately prior to Completion. As at the date of this joint announcement, the general partner of the Other Selling Shareholder 1 is Shenzhen Huixin Qianhai Equity Investment Enterprise (LLP) (深圳匯信前海股權投資企業(有限合夥)) (“**Shenzhen Huixin**”). The general partner of Shenzhen Huixin is Ningbo Huixin Zhiyuan Investment Management Partnership (LLP) (寧波匯信致遠投資管理合夥企業(有限合夥)), whose general partner is Ningbo Xinhui Qianhai Equity Investment Co., Ltd. (寧波信匯前海股權投資有限公司).

The Other Selling Shareholder 2, namely Huang Jianzhong (黃建忠), is a beneficial owner of 7,475,891 Shares, representing approximately 3.32% of the issued share capital of the Company as at the date of the Other SPA 2 and immediately prior to Completion.

The Other Selling Shareholder 3, namely Shenzhen Zhichen Wuqi Venture Investment Partnership (Limited Partnership) (深圳智宸五期創業投資合夥企業(有限合夥)), is a limited liability partnership established under the laws of the PRC and a beneficial owner of 3,644,757 Shares, representing approximately 1.62% of the issued share capital of the Company as at the date of the Other SPA 3 and immediately prior to Completion. As at the date of this joint announcement, the general partner of the Other Selling Shareholder 3 is Shenzhen Zhichen Private Equity Fund Management Co., Ltd. (深圳智宸私募股權基金管理有限公司).

The Other Selling Shareholder 4, namely Shanghai Moxian Investment Limited Partnership (LLP) (上海魔弦創業投資合夥企業(有限合夥)), is a limited liability partnership established under the laws of the PRC and a beneficial owner of 3,061,618 Shares, representing approximately 1.36% of the issued share capital of the Company as at the date of the Other SPA 4 and immediately prior to Completion. As at the date of this joint announcement, the general partner of the Other Selling Shareholder 4 is Shanghai MoShan Private Fund Management Company Ltd. (上海魔善私募基金管理有限公司).

The Other Selling Shareholder 5, namely Meng Xianfeng (孟憲鋒), is a beneficial owner of 2,131,394 Shares, representing approximately 0.95% of the issued share capital of the Company as at the date of the Other SPA 5 and immediately prior to Completion. As at the date of this joint announcement, the Other Selling Shareholder 5 is an employee of the Group.

The Other Selling Shareholder 6, namely Li Qiong (李瓊), is a beneficial owner of 2,131,394 Shares, representing approximately 0.95% of the issued share capital of the Company as at the date of the Other SPA 6 and immediately prior to Completion. As at the date of this joint announcement, the Other Selling Shareholder 6 is an employee of the Group holding 325,000 Share Options.

The Other Selling Shareholder 7, namely Zibo Puhao Equity Investment Partnership (Limited Partnership) (淄博浦濠股權投資合夥企業(有限合夥)), is a limited liability partnership established under the laws of the PRC and a beneficial owner of 2,102,700 Shares, representing approximately 0.93% of the issued share capital of the Company as at the date of the Other SPA 7 and immediately prior to Completion. As at the date of this joint announcement, the general partner of the Other Selling Shareholder 7 is Shanghai Puchang Equity Investment Fund Management Co., Ltd. (上海浦昌股權投資基金管理有限公司).

The Other Selling Shareholder 8, namely Shenzhen Brightmin Management Consulting Partnership (Limited Partnership) (深圳市亮敏管理諮詢合夥企業(有限合夥)), is a limited liability partnership established under the laws of the PRC and a beneficial owner of 1,869,067 Shares, representing approximately 0.83% of the issued share capital of the Company as at the date of the Other SPA 8 and immediately prior to Completion. As at the date of this joint announcement, the general partner of the Other Selling Shareholder 8 is Huang Huifang (黃惠芳).

Having made all reasonable enquiries, the Controlling Selling Shareholder and its ultimate beneficial owners are third parties independent of the Other Selling Shareholders, and not the connected persons of the Other Selling Shareholders.

INFORMATION ON THE OFFEROR

The Offeror is an investment holding company incorporated in the British Virgin Islands with limited liability, and is directly wholly owned by Mr. Chan Chin Ching. The directors of the Offeror are Mr. Chan Chin Ching and Mr. Chan Chin Chun, who are brothers of each other.

Mr. Chan Chin Ching (Ray), aged 41, is a technology entrepreneur and investor born and raised in Hong Kong. He is the CEO and co-founder of Memeland, a Web3 venture studio building and investing in content, community, and culture. He is also the CEO and co-founder of 9GAG, currently one of the world's top three social media platforms in the humor category based on traffic share, according to similarweb.com, with the mission to make the world happier.

Ray's entrepreneurial journey began in 2008 when he and his co-founders launched 9GAG. Today, the platform has a global audience of 200 million across various social media channels, including Instagram (56 million), Facebook (40 million), X (16 million), Threads (6.5 million), Pinterest (3.9 million), TikTok (2.8 million), and WhatsApp (1.8 million). 9GAG, with a global user base and influence on internet culture, serves as an example of a technology company from Hong Kong achieving global reach.

Driven by his vision and passion for blockchain technology, Ray founded Memeland in 2022. Despite turbulent market conditions, Ray has quickly led Memeland to become a leader in Web3, creating Asia's No. 1 digital collectible brand, according to nftnow.com, by adopting a new paradigm of building blockchain-enabled social products that embrace internet culture and real-world utilities. Memeland has attracted major brand partnerships and, in turn, enhanced community engagement and fueled business growth.

Ray's X account (account name 9GAGCEO) has 1.9 million followers. He has been selected as one of the 50 most influential people in crypto by Coindesk in 2024. He has also been named NFT Now's NFT 100 in 2023, Prestige's 40 Under 40 in 2021, and Tatler's Gen.T Leaders of Tomorrow in 2018, among other accolades. He frequently shares his insights and experiences at universities and global conferences. Ray has been featured in top international media outlets, including CNN, CNBC, Forbes, and The Wall Street Journal. The City University of Hong Kong Press has recently published a book titled "Innovative Attitude: 6+ Trailblazing Startup Founders," which chronicles Ray's startup journey.

Ray currently serves as an honorary advisor to the World Vision Hong Kong, a board member of the Hong Kong Genome Institute, and a member of the HKSAR Government's Steering Committee on Prevention and Control of Non-Communicable Diseases.

Ray graduated from The University of Hong Kong with a Bachelor of Laws degree.

INTENTION OF THE OFFEROR ON THE GROUP

It is the intention of the Offeror to continue with the Group's existing principal business activities. In particular, the Offeror intends to expand the existing businesses of the Group through, among others, exploring business opportunities related to artificial intelligence, digital assets and Web3.

Following the close of the Offers, the Offeror will conduct a review on the operations and financial position of the Group for the purpose of formulating business plans and strategies for the Group's long-term business development and will explore other business opportunities for the Group. Subject to the results of the review, and should suitable investment or business opportunities arise, the Offeror may consider whether any assets and/or business acquisitions or disposals by the Group will be appropriate in order to enhance its growth.

Save for the Offeror's intention as set out above, as at the date of this joint announcement, the Offeror has no intention (i) to make any significant changes to the employment of any key employees of the Group (except for the proposed changes, if any, to the members of the Board at a time no earlier than that permitted under the Listing Rules and the Takeovers Code or such later time as the Offeror considers to be appropriate, as further disclosed in the paragraph headed "Proposed change to the Board composition of the Company" below); (ii) to introduce any major changes to the existing operations and business of the Group; and (iii) to dispose of the Group's fixed assets which are not in the ordinary and usual course of business of the Group as a result of completion of the Offers. However, the Offeror reserves the right to make any changes that it deems necessary or appropriate to the Group's business and operations to optimise the value of the Group.

As at the date of this joint announcement, no investment or business opportunity has been identified nor has the Offeror entered into any agreement, arrangement, understanding or negotiation in relation to the injection of any assets or business into the Group.

PROPOSED CHANGE TO THE BOARD COMPOSITION OF THE COMPANY

As at the date of this joint announcement, the Board comprises four executive Directors, namely Dr. Chen Ping, Ms. Wang Zheshi, Mr. Feng Yijing and Mr. Wang Jun, and three independent non-executive Directors, namely, Mr. Gu Jiong, Mr. Yang Hai and Mr. Fong Wo, Felix.

No Directors will resign before the close of the Offers. It is the intention of the Offeror to nominate new director(s) to the Board after the despatch of the Composite Document and with effect from the earliest time permitted under the applicable laws, rules and regulations, the Listing Rules and the Takeovers Code, whichever is the latest. As at the date of this joint announcement, the Offeror has not reached any final decision as to who will be nominated as new director(s) of the Company. Any changes to the members of the Board will be made in compliance with the Takeovers Codes and the Listing Rules and further announcement(s) will be made as and when appropriate. Further announcement(s) will be made upon any changes to the composition to the Board in compliance with the Takeovers Code and the Listing Rules as and when appropriate.

PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY

The Offeror intends to maintain the listing status of the Shares on the Main Board after the close of the Offers. The Offeror will undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares.

The Offeror and the new Directors to be appointed to the Board (if any) will undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares, which may include but not limited to placing down of sufficient number of accepted Shares by the Offeror and/or issue of additional Shares by the Company for this purpose. No arrangements have been confirmed or put in place as at the date of this joint announcement. Further announcement(s) will be made in accordance with the requirements of the Listing Rules and the Takeovers Code as and when appropriate.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 2.1 and Rule 2.8 of the Takeovers Code, the Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Gu Jiong, Mr. Yang Hai and Mr. Fong Wo, Felix, has been established to make recommendations to the Offer Shareholders and the Optionholders as to whether the Share Offer and the Option Offer are fair and reasonable and as to the acceptance of the Share Offer and the Option Offer.

The Company will appoint the Independent Financial Adviser (with the approval of the Independent Board Committee) to advise the Independent Board Committee in respect of the Offers and as to whether the Offers are fair and reasonable and as to acceptance of the Offers pursuant to Rule 2.1 of the Takeovers Code after the date of this joint announcement. A further announcement will be made by the Company after the Independent Financial Adviser is appointed.

DESPATCH OF THE COMPOSITE DOCUMENT

It is the intention of the Offeror and the Company to combine the offer document and the offeree board circular into the Composite Document and be jointly despatched by the Offeror and the Company to the Shareholders and the Optionholders in accordance with the requirements of the Takeovers Code after the Completion takes place. Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document containing, among other things, (i) the terms of the Offers; (ii) the recommendation from the Independent Board Committee to the Offer Shareholders and the Optionholders; and (iii) the advice from the Independent Financial Adviser in respect of the Offers, together with the Form(s) of Acceptance, will be despatched to the Shareholders within 21 days after the date of this joint announcement, or such later date as the Executive may approve. Further announcement(s) regarding the despatch of the Composite Document will be made by the Offeror and the Company as and when appropriate.

DEALINGS DISCLOSURE

In accordance with Rule 3.8 of the Takeovers Code, associates of the Company or the Offeror (including persons holding 5% or more of a class of relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company or the Offeror) are reminded to disclose their dealings in any relevant securities of the Company pursuant to the requirements of the Takeovers Code.

RESPONSIBILITIES OF STOCKBROKERS, BANKS AND OTHER INTERMEDIARIES

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:

“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 of the Takeovers Code 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 of the Takeovers Code. 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 IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 20 January 2025 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 on the Stock Exchange with effect from 9:00 a.m. on 27 January 2025.

WARNING

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

The making of the Offers is subject to Completion such that the Offers may or may not proceed. The issue of this joint announcement does not in any way imply that the Offers will be made. Shareholders, Optionholders and potential investors should exercise caution when dealing in the securities of the Company. If the Shareholders, Optionholders and potential investors are in any doubt about their position, they should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

DEFINITIONS

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

“acting in concert”	has the same meaning ascribed to it in the Takeovers Code
“associate”	has the same meaning ascribed to it in the Takeovers Code
“Board”	the board of Directors
“Business Day(s)”	any day (not being a Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	Howkingtech International Holding Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board (stock code: 2440)
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the SPAs
“Completion Date”	the day on which Completion takes place

“Composite Document”	the composite offer and response document to be jointly issued by the Offeror and the Company in accordance with the Takeovers Code containing, among other things, details of the Offers, the recommendation from the Independent Board Committee to the Offer Shareholders and the Optionholders and the advice from the Independent Financial Adviser to the Independent Board Committee in respect of the Offers
“Controlling Selling Shareholder”	Howkingtech Holding Limited, a company incorporated in the British Virgin Islands with limited liability which held 121,124,579 Shares, representing approximately 53.83% of the issued share capital of the Company as at the date of the Controlling Shareholder SPA and immediately prior to Completion
“Controlling Shareholder SPA”	the sale and purchase agreement dated 17 January 2025 entered into between the Controlling Selling Shareholder, the corresponding Guarantors and the Offeror in respect of the sale and purchase of 121,124,579 Sale Shares
“Director(s)”	the director(s) of the Company
“Dr. Chen”	Dr. Chen Ping, one of the Guarantors under the Controlling Shareholder SPA, an executive Director, the Chairman of the Board, a controlling shareholder of the Company and the spouse of Ms. Wang as at the date of the Controlling Shareholder SPA and immediately prior to Completion
“Earnest Money”	the earnest money in the amount of HK\$1,000,000 deposited by the Offeror to the Escrow Account pursuant to the MOU prior to the date of the Controlling Shareholder SPA, which has been applied and credited towards settlement of the consideration under the Controlling Shareholder SPA
“Encumbrances”	any mortgage, charge, pledge, lien, option, hypothecation, right to acquire, right of first refusal, right of pre-emption, right of set-off, third party interest, trust for third parties, claims, other encumbrance or security interest of any kind, and any agreement or obligation to create or grant any of the aforesaid
“Escrow Account”	the escrow account of the Offeror maintained with Lego Securities
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Form(s) of Acceptance”	the respective form of acceptance and transfer in respect of the Share Offer and form of acceptance in respect of the Option Offer accompanying the Composite Document

“Group”	the Company and its subsidiaries from time to time
“Guarantor(s)”	the guarantor(s) under the respective applicable SPAs, being Dr. Chen, Ms. Wang and Ms. Jin under the Controlling Shareholder SPA, Ningbo Xinhui Qianhai Equity Investment Co., Ltd. (寧波信匯前海股權投資有限公司) under the Other SPA 1, Chen Ning (陳寧) under the Other SPA 3, Shanghai Moshan Private Fund Management Company Ltd. (上海魔善私募基金管理有限公司) under the Other SPA 4, Li Xubing (李許兵) under the Other SPA 7 and Huang Huifang (黃惠芳) under the Other SPA 8
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board comprising all the independent non-executive Directors, namely Mr. Gu Jiong, Mr. Yang Hai and Mr. Fong Wo, Felix, which has been established to advise the Offer Shareholders in respect of the Share Offer and the Optionholders in respect of the Option Offer and as to whether the Offers are fair and reasonable and as to acceptance of the Offers pursuant to Rule 2.1 of the Takeovers Code
“Independent Financial Adviser”	the independent financial adviser to the Independent Board Committee in connection with the Offers
“Last Trading Day”	17 January 2025, being the last trading day immediately before the date of this joint announcement
“Lego Corporate Finance”	Lego Corporate Finance Limited, a corporation licensed by the SFC to conduct Type 6 (advising on corporate finance) regulated activity under the SFO, being the financial adviser to the Offeror in respect of the Offers
“Lego Securities”	Lego Securities Limited, a corporation licensed by the SFC to conduct Type 1 (dealing in securities) regulated activity under the SFO, being the agent making the Offers on behalf of the Offeror and the custodian in respect of the Escrow Account
“Listing Rules”	the Rules Governing and Listing of Securities on The Stock Exchange
“Long Stop Date”	28 January 2025, or such other date as mutually agreed by the Offeror and the respective Selling Shareholders in writing
“Main Board”	the main board operated and maintained by the Stock Exchange

“MOU”	the non-legally binding memorandum of understanding dated 2 September 2024 (as supplemented by amendment letters dated 8 October 2024, 12 December 2024 and 30 December 2024, respectively) entered into between the Controlling Selling Shareholder and Memeland Limited, which is wholly-owned by Mr. Chan Chin Ching and is a party acting in concert with the Offeror, in relation to the intended sale and purchase of the relevant Sale Shares
“Mr. Feng”	Mr. Feng Yijing, an executive Director and one of the Optionholders
“Mr. Wang”	Mr. Wang Jun, an executive Director and one of the Optionholders
“Ms. Jin”	Ms. Jin Yan, one of the Guarantors under the Controlling Shareholder SPA, a controlling shareholder of the Company and a shareholder of the Controlling Selling Shareholder who directly held 43.20% of the total issued share capital thereof as at the date of the Controlling Shareholder SPA and immediately prior to Completion
“Ms. Wang”	Ms. Wang Zheshi, one of the Guarantors under the Controlling Shareholder SPA, an executive Director, a controlling shareholder of the Company, the spouse of Dr. Chen and a shareholder of the Controlling Selling Shareholder who directly held 56.80% of the total issued share capital thereof as at the date of the Controlling Shareholder SPA and immediately prior to Completion
“Offer Period”	has the meaning ascribed to it under the Takeovers Code, being the period commencing from the date of this joint announcement and ending on the date on which the Offers close
“Offer Share(s)”	any and all the Shares in issue (other than those already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it)
“Offer Shareholder(s)”	holder(s) of Share(s), other than the Offeror and parties acting in concert with it
“Offeror”	Home Office Development Limited, a company incorporated in British Virgin Islands with limited liability and is directly wholly owned by Mr. Chan Chin Ching as at the date of this joint announcement
“Offers”	the Share Offer and the Option Offer

“Option Offer”	the possible unconditional mandatory cash offer to be made by Lego Securities on behalf of the Offeror upon the Completion for the cancellation of the Share Options in accordance with the Takeovers Code
“Option Offer Price”	the price at which the Option Offer will be made, being HK\$0.0001 for the cancellation of each Share Option held by the Optionholders
“Optionholder(s)”	Holder(s) of the Share Options
“Other Selling Shareholder 1”	Shanghai Jinyuan Changfu Enterprise Management Partnership (Limited Partnership) (上海進源長富企業管理合夥企業(有限合夥)), a beneficial owner of 14,214,000 Shares, representing approximately 6.32% of the issued share capital of the Company as at the date of the Other SPA 1 and immediately prior to Completion
“Other Selling Shareholder 2”	Huang Jianzhong (黃建忠), a beneficial owner of 7,475,891 Shares, representing approximately 3.32% of the issued share capital of the Company as at the date of the Other SPA 2 and immediately prior to Completion
“Other Selling Shareholder 3”	Shenzhen Zhichen Wuqi Venture Investment Partnership (Limited Partnership) (深圳智宸五期創業投資合夥企業(有限合夥)), a beneficial owner of 3,644,757 Shares, representing approximately 1.62% of the issued share capital of the Company as at the date of the Other SPA 3 and immediately prior to Completion
“Other Selling Shareholder 4”	Shanghai Moxian Investment Limited Partnership (LLP) (上海魔弦創業投資合夥企業(有限合夥)) (formerly known as Zhangzhou Merchants Economic Development District Heze Limited Partnership (Limited Partnership) (漳州招商局經濟技術開發區合澤股權投資合夥企業(有限合夥))), a beneficial owner of 3,061,618 Shares, representing approximately 1.36% of the issued share capital of the Company as at the date of the Other SPA 4 and immediately prior to Completion
“Other Selling Shareholder 5”	Meng Xianfeng (孟憲鋒), a beneficial owner of 2,131,394 Shares, representing approximately 0.95% of the issued share capital of the Company as at the date of the Other SPA 5 and immediately prior to Completion
“Other Selling Shareholder 6”	Li Qiong (李瓊), a beneficial owner of 2,131,394 Shares, representing approximately 0.95% of the issued share capital of the Company as at the date of the Other SPA 6 and immediately prior to Completion, and one of the Optionholders

“Other Selling Shareholder 7”	Zibo Puhao Equity Investment Partnership (Limited Partnership) (淄博浦濠股權投資合夥企業(有限合夥)), a beneficial owner of 2,102,700 Shares, representing approximately 0.93% of the issued share capital of the Company as at the date of the Other SPA 7 and immediately prior to Completion
“Other Selling Shareholder 8”	Shenzhen Brightmin Management Consulting Partnership (Limited Partnership) (深圳市亮敏管理諮詢合夥企業(有限合夥)), a beneficial owner of 1,869,067 Shares, representing approximately 0.83% of the issued share capital of the Company as at the date of the Other SPA 8 and immediately prior to Completion
“Other Selling Shareholders”	collectively, the Other Selling Shareholder 1, the Other Selling Shareholder 2, the Other Selling Shareholder 3, the Other Selling Shareholder 4, the Other Selling Shareholder 5, the Other Selling Shareholder 6, the Other Selling Shareholder 7 and the Other Selling Shareholder 8
“Other SPA 1”	the sale and purchase agreement dated 17 January 2025 entered into between the Other Selling Shareholder 1, the corresponding Guarantor and the Offeror in respect of the sale and purchase of 14,214,000 Sale Shares
“Other SPA 2”	the sale and purchase agreement dated 17 January 2025 entered into between the Other Selling Shareholder 2 and the Offeror in respect of the sale and purchase of 7,475,891 Sale Shares
“Other SPA 3”	the sale and purchase agreement dated 17 January 2025 entered into between the Other Selling Shareholder 3, the corresponding Guarantor and the Offeror in respect of the sale and purchase of 3,644,757 Sale Shares
“Other SPA 4”	the sale and purchase agreement dated 17 January 2025 entered into between the Other Selling Shareholder 4, the corresponding Guarantor and the Offeror in respect of the sale and purchase of 3,061,618 Sale Shares
“Other SPA 5”	the sale and purchase agreement dated 17 January 2025 entered into between the Other Selling Shareholder 5 and the Offeror in respect of the sale and purchase of 2,131,394 Sale Shares
“Other SPA 6”	the sale and purchase agreement dated 17 January 2025 entered into between the Other Selling Shareholder 6 and the Offeror in respect of the sale and purchase of 2,131,394 Sale Shares

“Other SPA 7”	the sale and purchase agreement dated 17 January 2025 entered into between the Other Selling Shareholder 7, the corresponding Guarantor and the Offeror in respect of the sale and purchase of 2,102,700 Sale Shares
“Other SPA 8”	the sale and purchase agreement dated 17 January 2025 entered into between the Other Selling Shareholder 8, the corresponding Guarantor and the Offeror in respect of the sale and purchase of 1,869,067 Sale Shares
“Other SPAs”	collectively, the Other SPA 1, the Other SPA 2, the Other SPA 3, the Other SPA 4, the Other SPA 5, the Other SPA 6, the Other SPA 7 and the Other SPA 8
“Overseas Optionholder(s)”	Optionholder(s) whose address(es), as shown on the register of Optionholders of the Company, is/are outside Hong Kong
“Overseas Shareholder(s)”	Offer Shareholder(s) whose address(es), as shown on the register of members of the Company, is/are outside Hong Kong
“PRC”	the People’s Republic of China which, for the purpose of this joint announcement, shall exclude Hong Kong, Macau and Taiwan
“Registrar”	Tricor Investor Services Ltd., the branch share registrar of the Company in Hong Kong, situated at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, being the agent to receive the WHITE Forms of Share Offer Acceptance under the Share Offer
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Share(s)”	an aggregate of 157,755,400 Shares beneficially owned by the Selling Shareholders as at the date of the SPAs, representing approximately 70.11% of the total issued share capital of the Company as at the date of the SPAs
“Selling Shareholders”	collectively, the Controlling Selling Shareholder and the Other Selling Shareholders
“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 a par value of US\$0.01 each in the share capital of the Company

“Share Award Scheme”	the share award scheme adopted by the Company on 16 May 2023
“Share Offer”	the possible mandatory unconditional cash offer to be made by Lego Securities on behalf of the Offeror to acquire all the Offer Shares in accordance with the Takeovers Code
“Share Offer Price”	the price at which the Share Offer will be made, being HK\$0.889 per Offer Share
“Share Option(s)”	the outstanding share options granted by the Company pursuant to the Share Option Scheme
“Share Option Scheme”	the share option scheme adopted by the Company pursuant to an ordinary resolution passed by the Shareholders on 11 November 2022
“Shareholder(s)”	holder(s) of the Share(s)
“SPAs”	collectively, the Controlling Shareholder SPA and the Other SPAs
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers of Hong Kong
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of The United States of America
“%”	per cent.

For the purpose of this joint announcement, unless otherwise specified, conversion of RMB to HK\$ is calculated based on the approximate exchange rate of RMB1.00 to HK\$1.0621. This exchange rate is adopted for illustrative purpose only and does not constitute a representation that any amounts have been, could have been, or may be exchanged at this rate or any other rates at all.

By order of the board of
Home Office Development Limited
Chan Chin Ching
Director

By order of the Board of
Howkingtech International Holding Limited
Chen Ping
Chairman and executive Director

Hong Kong, 24 January 2025

As at the date of this joint announcement, the executive Directors are Dr. Chen Ping, Ms. Wang Zheshi, Mr. Feng Yijing and Mr. Wang Jun; and the independent non-executive Directors are Mr. Gu Jiong, Mr. Yang Hai and Mr. Fong Wo, Felix.

This joint announcement includes particulars given in compliance with the Listing Rules and the Takeovers Code for the purpose of giving information with regard to the Company. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than those relating to the Offeror), 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 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. Chan Chin Ching and Mr. Chan Chin Chun.

The directors of the Offeror accept full responsibility for the accuracy of information contained in this joint announcement (other than those relating to the Group, the Selling Shareholders or any of their associates or any parties acting in concert with any of them) 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) 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.

In the case of inconsistency, the English text of this joint announcement shall prevail over the Chinese text.

** For identification purpose only*

*** The English translation of Chinese names or words in this joint announcement, where indicated, are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*