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Yuan Feng Ventures Limited
元豐創投有限公司

(Incorporated in Hong Kong with limited liability)

Yield Go Holdings Ltd.
耀高控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1796)

JOINT ANNOUNCEMENT

- (1) SALE AND PURCHASE AGREEMENT IN RELATION TO 75.0% OF THE TOTAL ISSUED SHARE CAPITAL OF YIELD GO HOLDINGS LTD.;**
- (2) UNCONDITIONAL MANDATORY CASH OFFER FOR SHARES BY HEAD & SHOULDERS SECURITIES LIMITED FOR AND ON BEHALF OF YUAN FENG VENTURES LIMITED TO ACQUIRE ALL OF THE ISSUED SHARES OF YIELD GO HOLDINGS LTD. (OTHER THAN THOSE SHARES ALREADY OWNED OR AGREED TO BE ACQUIRED BY YUAN FENG VENTURES LIMITED AND PARTIES ACTING IN CONCERT WITH IT);**
- AND**
- (3) RESUMPTION OF TRADING**

Financial adviser to the Offeror



RAINBOW CAPITAL (HK) LIMITED
流博資本有限公司

Offer Agent to the Offeror



Independent Financial Adviser to the Independent Board Committee



THE SALE AND PURCHASE AGREEMENT

The Board was informed that on 22 September 2023 (before trading hours of the Stock Exchange), the Vendor, as chargee under the Share Charge and by way of exercising its power of sale under the Share Charge, and the Offeror entered into the Sale and Purchase Agreement, pursuant to which the Vendor agreed to sell, and the Offeror agreed to purchase, 360,000,000 Sale Shares, representing 75.0% of the entire issued share capital of the Company as at the date of this joint announcement, for an aggregate consideration of HK\$165,700,000, equivalent to approximately HK\$0.4603 per Sale Share, which was satisfied by the Offeror in full by the Offeror's own financial resources and a loan facility in the amount of HK\$70,000,000 granted by Ultra Accord Limited, a licensed money lender in Hong Kong, to the Offeror. Completion took place on 22 September 2023 immediately after the entering into of the Sale and Purchase Agreement. Immediately upon Completion, the Offeror and parties acting in concert with it own an aggregate of 360,000,000 Shares, representing 75.0% of the entire issued share capital of the Company.

UNCONDITIONAL MANDATORY CASH OFFER FOR SHARES

Immediately before Completion, the Offeror and parties acting in concert with it did not hold or control any Shares in the share capital or voting rights of the Company or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code). Immediately following Completion, the Offeror and parties acting in concert with it own 360,000,000 Shares, representing 75.0% of the entire issued share capital of the Company. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is therefore required to make an unconditional mandatory cash offer for all the issued Shares (other than those Shares already owned or agreed to be acquired by the Offeror and parties acting in concert with it). The Offer will be made to the Independent Shareholders.

As at the date of this joint announcement, the Company has 480,000,000 Shares in issue. The Company does not have any outstanding options, derivatives, warrants or securities which are convertible or exchangeable into 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, as at the date of this joint announcement.

Head & Shoulders Securities will, for and on behalf of the Offeror, make the Offer to acquire all of the Offer Shares on the terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code on the following basis:

For each Offer Share HK\$0.4603 in cash

The Offer Price of HK\$0.4603 per Offer Share is the same as the purchase price per Sale Share under the Sale and Purchase Agreement.

The Offer will be unconditional in all respects. Principal terms of the Offer are set out in the section headed "Mandatory Unconditional Cash Offer for Shares" below.

Value of the Offer

Based on the Offer Price of HK\$0.4603 per Offer Share and 480,000,000 Shares in issue as at the date of this joint announcement, the total issued share capital of the Company is valued at approximately HK\$220.9 million. Assuming there being no change in the issued share capital of the Company from the date of this joint announcement up to the close of the Offer and excluding the aggregate of 360,000,000 Shares held by the Offeror and parties acting in concert with it immediately after the Completion, 120,000,000 Shares will be subject to the Offer. Based on the Offer Price of HK\$0.4603 per Offer Share, the total consideration of the Offer would be approximately HK\$55,236,000, which will be the maximum amount payable by the Offeror under the Offer in the event that the Offer is accepted in full.

Confirmation of sufficient financial resources

The Offeror intends to maintain the listing of the Shares on the Stock Exchange after the close of the Offer. The Offeror intends to satisfy the consideration payable under the Offer by the HS Loan Facility granted to the Offeror by Head & Shoulders Securities. Rainbow Capital, the financial adviser to the Offeror in respect of the Offer, is satisfied that sufficient financial resources are available to the Offeror to satisfy the amount of funds required for full acceptance of the Offer.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, which comprises all the independent non-executive Directors, namely Mr. Chan Ka Yu, Dr. Lo Ki Chiu, Mr. Leung Wai Lim, and Mr. Ma Hon Yiu, has been established to make a recommendation to the Independent Shareholders in relation to the Offer as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer pursuant to Rule 2.1 of the Takeovers Code.

Merdeka Corporate Finance Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, has been appointed as the Independent Financial Adviser pursuant to Rule 2.1 of the Takeovers Code to advise the Independent Board Committee in connection with the Offer and, in particular, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer. The appointment of the Independent Financial Adviser has been approved by the Independent Board Committee.

DESPATCH OF THE COMPOSITE DOCUMENT

It is the intention of the Offeror and the Board that the offer document from the Offeror and the offeree board circular from the Company be combined in the Composite Document in accordance with the Takeovers Code. Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document containing, among other things, (i) details of the Offer (including the expected timetable and terms of the Offer); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Offer; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee in relation to the Offer, together with the relevant forms of acceptance and transfer, will be despatched to the Shareholders within 21 days from the date of this joint announcement or such later date as the Executive may approve.

The Independent Shareholders are encouraged to read the Composite Document carefully, including the recommendation of the Independent Board Committee and the advice of the Independent Financial Adviser as to whether the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned and its acceptance before deciding whether or not to accept the Offer.

WARNING

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

Shareholders and potential investors should exercise caution when dealing in the Shares during the Offer Period. If the Shareholders and potential investors are in any doubt about their position, they should consult their professional advisers.

RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 22 September 2023 pending the publication of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 11 October 2023.

INTRODUCTION

Pursuant to a sale and purchase agreement dated 29 April 2022 entered into among Master Success International Investment Limited (“**Master Success**”) as purchaser, the Vendor as vendor, Mr. Chen Yidong and Mr. Lin Zheng as purchaser’s guarantors and Mr. Man Hoi Yuen as the vendor’s guarantor, the Vendor agreed to sell 360,000,000 Sale Shares to Master Success at a total consideration of HK\$247,500,000. On completion, HK\$96,000,000 of the total consideration had been paid in cash and Master Success and Mr. Lin Zheng as joint issuers issued the promissory note (the “**Promissory Note**”) dated 29 April 2022 in the principal amount of HK\$151,500,000 with interest of 8% per annum in favour of the Vendor, being the balance of the total consideration for the Sale Shares.

The Promissory Note is secured by a share charge (the “**Share Charge**”) dated 29 April 2022 executed by Master Success as chargor in favour of the Vendor as chargee over the Sale Shares. Under the Promissory Note, Master Success is required to pay the aggregate principal and interest amount of HK\$163,620,000 by way of a total of twelve instalments payment (including eleven monthly instalments payment in the amount of HK\$1,010,000 each and the final instalment payment in the amount of HK\$152,510,000) and the final instalment payment in the amount of HK\$152,510,000 was due on 28 April 2023.

Master Success and Mr. Lin Zheng as joint issuer of the Promissory Note had failed to make payment of the debt within the time limits stipulated in the Promissory Note and it constitutes an event of default under the Promissory Note. Despite several demands and notices have been given by the Vendor through its solicitors to Master Success and Mr. Lin Zheng requesting for immediate repayment of all the outstanding principal amount and interest accrued under the Promissory Note and a final notice issued by the Vendor through its solicitors on 28 August 2023 informing them that due to the breach of their payment obligations under the Promissory Note, the Vendor would enforce the Share Charge and dispose of the Sale Shares to a potential buyer, Master Success and Mr. Lin Zheng have failed to respond or make payment of the outstanding principal amount and interest accrued under the Promissory Note. In accordance with the provision of the Share Charge, the Share Charge becomes immediately enforceable and the Vendor is entitled to exercise the power of sale to dispose of the Sale Shares to purchaser identified by the Vendor without further notice to Master Success and Mr. Lin Zheng.

The Board was informed that before trading hours on 22 September 2023, the Vendor and the Offeror entered into the Sale and Purchase Agreement, pursuant to which the Vendor, as chargee under the Share Charge and by way of exercising its power of sale under the Share Charge, has agreed to sell, and the Offeror has agreed to purchase, 360,000,000 Sale Shares, representing 75.0% of the total issued share capital of the Company as at the date of this joint announcement, for an aggregate consideration of HK\$165,700,000, equivalent to approximately HK\$0.4603 per Sale Share, which was satisfied by the Offeror in full by the

Offeror's own financial resources and a loan facility in the amount of HK\$70,000,000 granted by Ultra Accord Limited. On 3 October 2023, the Vendor through its solicitors issued a letter to Master Success informing about its exercise of the power of sale under the Share Charge and the sale of 360,000,000 Sale Shares to the Offeror. The Vendor confirms that up to the date of this joint announcement, it has not received any objection from Master Success, Mr. Chen Yidong or Mr. Lin Zheng in respect of the Vendor's exercise of the power of sale under the Share Charge.

Ultra Accord Limited is a licensed money lender under the Money Lenders Ordinance (Chapter 163 of laws of Hong Kong) and is wholly and beneficially owned by Ms. Chu Chui Ling, who is a Hong Kong citizen and an investor with investments mainly in listed securities and properties in Hong Kong and with experience in the money lending sector in Hong Kong.

THE SALE AND PURCHASE AGREEMENT

Set out below are the principal terms of the Sale and Purchase Agreement.

Date

22 September 2023 (before trading hours)

Parties

- (i) the Vendor (as chargee under the Share Charge and by way of exercising its power of sale under the Share Charge); and
- (ii) the Offeror (as the purchaser of the Sale Shares).

Subject of the Sale and Purchase Agreement

The Vendor, by exercising its power of sale under the Share Charge, has agreed to sell and the Offeror has agreed to purchase the Sale Shares, being 360,000,000 Shares, representing 75.0% of the entire issued share capital of the Company as at the date of this joint announcement, for an aggregate consideration of HK\$165,700,000.

The Sale Shares are sold free from all Encumbrance (save and except the Share Charge) and third party rights and together with all rights attached to them, including the right to all dividends and distributions which may be declared, paid or made at any time at or after the Completion Date. The Board confirms that the Company does not have any declared but unpaid dividend and there is no intention of the Company to declare any dividend before the close of the Offer. The Sale Shares represent the entire holding of Shares by the Vendor immediately prior to the entering into of the Sale and Purchase Agreement.

Consideration for the Sale Shares

The consideration for the sale and purchase of the Sale Shares is HK\$165,700,000 under the Sale and Purchase Agreement, equivalent to approximately HK\$0.4603 per Sale Share, which was agreed between the Vendor and the Offeror after arm's length negotiations, taking into account the outstanding principal and interest amount under the Promissory Note and the prevailing closing prices of the Shares. The consideration for the Sale Shares has been fully settled in cash by the Offeror to the Vendor on Completion, which was satisfied by the Offeror's own financial resources and a loan facility in the amount of HK\$70,000,000 granted by Ultra Accord Limited, a licensed money lender in Hong Kong, to the Offeror.

The Offeror has entered into a loan agreement with Ultra Accord Limited for a loan facility in the amount of HK\$70,000,000. Pursuant to the loan agreement, the Assignment of Loan, the Charge Over Account, the Debenture, the Offeror Share Charge, the Sale Shares Share Charge and the Personal Guarantees have been executed in favour of Ultra Accord Limited as security for the loan facility. Pursuant to the Assignment of Loan, Ms. Huang Hou, the sole shareholder of the Offeror, agreed to assign in favour of Ultra Accord Limited all her rights, title, benefits and interests of all the sum owing, indebted or incurred by the Offeror to Ms. Huang Hou and all obligations, liabilities and other debts owing or incurred by the Offeror to Ms. Huang Hou from time to time as security. Pursuant to the Charge Over Account, the Offeror agreed to charge by way of first fixed charge the cash account of the Offeror maintained with Head & Shoulders Securities, of which all the Sale Shares are credited therein, in favour of Ultra Accord Limited. Pursuant to the Debenture, the Offeror agreed to charge all and any part of the undertaking, property, assets, goodwill, rights and revenues whatsoever of the Offeror which from time to time in favour of Ultra Accord Limited. Pursuant to the Offeror Share Charge, Ms. Huang Hou, the sole shareholder of the Offeror, agreed to charge all the issued share capital of the Offeror in favour of Ultra Accord Limited. Pursuant to the Sale Shares Share Charge, the Offeror agreed to charge by way of first fixed charge all the Sale Shares in favour of Ultra Accord Limited. Pursuant to the Personal Guarantees, each of Ms. Huang Hou and Mr. Bi Peng, the de facto spouse of Ms. Huang Hou, agreed to guarantee to Ultra Accord Limited the due, full, punctual and complete payment by the Offeror of its payment obligations of all principal, interest, costs, fees, expenses, charges and other amounts under the loan agreement entered into between the Offeror and Ultra Accord Limited. All the above security documents shall be released upon the repayment of the loan facility and all interest accrued thereon.

Ultra Accord Limited is a party acting in concert with the Offeror under class (9) of the definition of acting in concert under the Takeovers Code. Save for the loan agreement entered into between Ultra Accord Limited and the Offeror, the Offeror confirms that it has no relationship with Ultra Accord Limited. Ultra Accord Limited is not a Shareholder as at the date of this joint announcement.

Completion

Completion took place on 22 September 2023 immediately after the entering into of the Sale and Purchase Agreement. Immediately upon Completion, the Offeror and parties acting in concert with it own an aggregate of 360,000,000 Shares, representing 75.0% of the entire issued share capital of the Company and the Vendor ceased to be a Shareholder.

Shareholding structure of the Company

The table below sets out the shareholding structure of the Company (i) immediately prior to Completion; and (ii) immediately upon Completion and as at the date of this joint announcement:

	Immediately prior to Completion		Immediately upon Completion and as at the date of this joint announcement	
	Number of Shares	Percentage of shareholding (approximately) (%)	Number of Shares	Percentage of shareholding (approximately) (%)
Master Success (<i>Note</i>)	360,000,000	75.0	–	–
The Offeror and parties acting in concert with it	–	–	360,000,000	75.0
Public Shareholders	120,000,000	25.0	120,000,000	25.0
Total	<u>480,000,000</u>	<u>100.00</u>	<u>480,000,000</u>	<u>100.00</u>

Note: Master Success is beneficially owned as to 46.67%, 29.33%, 12% and 12% by Mr. Chen Yidong (a non-executive Director), Max Group Investment Limited (which is a limited company incorporated under the laws of Hong Kong and wholly owned by Mr. Lin Zheng, an executive Director), Mr. Chen Jian (a non-executive Director) and Mr. Wang Kuan, respectively. These Shares were charged by Master Success in favour of the Vendor pursuant to the Share Charge.

UNCONDITIONAL MANDATORY CASH OFFER FOR SHARES

Immediately before Completion, the Offeror and parties acting in concert with it did not hold or control any Shares in the share capital or voting rights of the Company or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code). Immediately following Completion, the Offeror and parties acting in concert with it own 360,000,000 Shares, representing 75.0% of the entire issued share capital of the Company. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is therefore required to make an unconditional mandatory cash offer for all the issued Shares (other than those Shares already owned or agreed to be acquired by the Offeror and parties acting in concert with it).

As at the date of this joint announcement, the Company has in aggregate 480,000,000 Shares in issue. The Company does not have any outstanding options, derivatives, warrants or securities which are convertible or exchangeable into 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, as at the date of this joint announcement.

Principal terms of the Offer

Head & Shoulders Securities will, for and on behalf of the Offeror, make the Offer to acquire all the Offer Shares on the terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code on the following basis:

The Offer

For each Offer Share. HK\$0.4603 in cash

The Offer Price of HK\$0.4603 per Offer Share is the same as the purchase price per Sale Share under the Sale and Purchase Agreement, which was arrived after arm's length negotiations between the Offeror and the Vendor.

The Offer will be unconditional in all respects when it is made. The Offer will extend to all Shares in issue other than those Shares held by the Offeror and parties acting in concert with it on the date on which the Offer is made, being the date of despatch of the Composite Document.

As at the date of this joint announcement, the Company does not have any dividend or distribution recommended, declared or made but unpaid and the Company does not intend to declare any dividend or make other distribution during the Offer Period.

Value of the Offer

As at the date of this joint announcement, there are 480,000,000 Shares in issue. Assuming that there is no change in the issued share capital of the Company and on the basis of the Offer Price at HK\$0.4603 per Offer Share, the entire issued share capital of the Company is valued at approximately HK\$220.9 million. The Offer will be made to the Independent Shareholders.

Excluding the 360,000,000 Shares held by the Offeror and parties acting in concert with it, the number of Shares subject to the Offer is 120,000,000. Based on the Offer Price of HK\$0.4603 per Offer Share, the total consideration of the Offer would be approximately HK\$55,236,000, which will be the maximum amount payable by the Offeror under the Offer in the event that the Offer is accepted in full.

Offer Price

The Offer Price of HK\$0.4603 per Offer Share represents:

- (i) a discount of approximately 76.87% to the closing price of HK\$1.99 per Share as quoted on the Stock Exchange on 21 September 2023, being the Last Trading Day;
- (ii) a discount of approximately 75.98% to the average closing price of approximately HK\$1.916 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to and including the Last Trading Day;
- (iii) a discount of approximately 70.66% to the average closing price of approximately HK\$1.569 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days immediately prior to and including the Last Trading Day;
- (iv) a discount of approximately 60.18% to the average closing price of approximately HK\$1.156 per Share as quoted on the Stock Exchange for the last 30 consecutive trading days immediately prior to and including the Last Trading Day; and
- (v) a premium of approximately 95.29% over the net asset value per Share of approximately HK\$0.2357, calculated based on the Group's audited consolidated net asset value attributable to the Shareholders as at 31 March 2023 of approximately HK\$113.2 million, divided by the number of issued Shares as at the date of this joint announcement.

Highest and lowest Share prices

During the six-month period immediately preceding the date of this joint announcement and including the Last Trading Day, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$1.99 on 21 September 2023 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.73 on 21 June 2023.

Financial resources available to the Offeror

The maximum amount of cash payable by the Offeror in respect of full acceptances of the Offer is HK\$55,236,000, assuming that there is no change in the issued share capital of the Company from the date of this joint announcement up to the close of the Offer. The Offeror intends to satisfy the consideration payable under the Offer by the HS Loan Facility by Head & Shoulders Securities. Rainbow Capital, the financial adviser to the Offeror in respect of the Offer, is satisfied that sufficient financial resources are available to the Offeror to satisfy the amount of funds required for full acceptance of the Offer.

The Offeror has entered into the HS Loan Agreement with Head & Shoulders Securities, pursuant to which Head & Shoulders Securities agreed to grant to the Offeror the Loan Facility of an aggregate amount of HK\$56 million for the purpose of financing part of the Offer. The HS Loan Facility is secured by the Offer Shares to be and/or possibly to be acquired under the Offer and guaranteed by Ms. Huang Hou in favour of Head & Shoulders.

Head & Shoulders Securities is a party acting in concert with the Offeror under class (9) of the definition of acting in concert under the Takeovers Code. Save as the HS Loan Agreement and the engagement as the offering agent for the Offer, the Offeror confirms that it has no relationship with Head & Shoulders Securities. Head & Shoulders Securities is not a Shareholder as at the date of this joint announcement.

The Offeror does not intend that the payment of fee and interest on or repayment of the loan facility under the HS Loan Agreement will depend to any significant extent on the business of the Group.

Effects of accepting the Offer

By accepting the Offer, the Independent Shareholders shall sell their Shares to the Offeror free from all Encumbrance and third party rights and together with all rights attached to them including the right to all dividends and distributions which may be declared, paid or made on or after the date on which the Offer is made, being the date of despatch of the Composite Document. Acceptance of the Offer will be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code.

As at the date of this joint announcement, the Company does not have any dividend or distribution recommended, declared or made but unpaid and the Company does not intend to declare any dividend or make other distribution during the Offer Period.

Payment

Settlement of the consideration in respect of acceptances of the Offer will be made as soon as possible but in any event within seven (7) Business Days from the date of receipt of duly completed and valid acceptances in respect of the Offer Shares. Relevant documents evidencing title must be received by or on behalf of the Offeror to render such acceptance of the Offer complete and valid.

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

Hong Kong stamp duty

The seller's Hong Kong ad valorem stamp duty arising in connection with acceptances of the Offer will be payable by the relevant Independent Shareholders at a rate of 0.13% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, and the amount of such duty will be deducted from the cash amount payable by the Offeror to the relevant Independent Shareholders accepting the Offer. The Offeror will arrange for payment of the seller's Hong Kong ad valorem stamp duty on behalf of the relevant Independent Shareholders accepting the Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

Taxation advice

Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, parties acting in concert with the Offeror, the Company, Head & Shoulders Securities, Rainbow Capital and (as the case may be) their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

Overseas Shareholders

To the extent practicable and permissible under applicable laws and regulations, the Offeror intends to make the Offer available to all Independent Shareholders, including those who are not resident in Hong Kong. The making and the implementation of the Offer to Independent Shareholders who are not resident in Hong Kong may be subject to the laws of the relevant overseas jurisdictions in which such Independent Shareholders are located. Such Independent Shareholders should observe any applicable requirements and restrictions in their own jurisdictions, and where necessary, seek independent legal advice in respect of the Offer. It is the responsibility of such Independent Shareholders who have registered addresses outside Hong Kong and wish to accept the Offer to satisfy themselves as to the full observance of the applicable laws and regulations of the relevant jurisdiction in connection therewith (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes payable by such Independent Shareholders in such jurisdiction).

If the despatch of the Composite Document to the overseas Shareholders 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 this will not affect the overseas Independent Shareholders' right to accept the Offer. In those circumstances, the Offeror will apply for any waivers pursuant to Note 3 to Rule 8 of the Takeovers Code at such time.

Any acceptance of the Offer by such overseas Independent Shareholders will be deemed to constitute a representation and warranty from such Independent Shareholders to the Offeror that the local laws and requirements have been complied with. The overseas Independent Shareholders should consult their professional advisers if in doubt. To the best knowledge of the Directors, there are no overseas Independent Shareholders of the Company identified as at the date of this joint announcement.

DEALING AND INTERESTS IN SECURITIES OF THE COMPANY

Save for the acquisition of the Sale Shares, the Offeror and parties acting in concert with it have not dealt in the Shares, convertible securities, warrants, options or derivatives of the Company during the six-month period immediately prior to 10 October 2023, being the date of this joint announcement and the commencement date of the Offer Period.

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

- (i) the Offeror, its ultimate beneficial owner, and/or parties acting in concert with any of them have not received any irrevocable commitment to accept or reject the Offer;
- (ii) save for the 360,000,000 Shares, representing 75.0% of the entire issued shares capital of the Company, held by the Offeror and parties acting in concert with it, none of the Offeror, its ultimate beneficial owner, and/or parties acting in concert with any of them holds, has control or has direction over any voting rights or rights over Shares, convertible securities, warrants, options, derivatives or other securities that are convertible or exchangeable into Shares or other types of equity interest in the Company;
- (iii) save for the Sale Shares, none of the Offeror, its ultimate beneficial owner, and/or parties acting in concert with any of them has acquired any voting rights in or otherwise dealt for value in the Shares or rights over the Shares during the six-month period immediately prior to the date of this joint announcement;
- (iv) there is no agreement or arrangement in relation to outstanding derivative in respect of the securities in the Company which has been entered into by the Offeror, its ultimate beneficial owner, and/or parties acting in concert with any of them;
- (v) save for the HS Loan Facility, which is secured by the Offer Shares to be and/or possibly to be acquired under the Offer, there is no agreement, arrangement or understanding that any securities acquired in pursuance of the Offer would be transferred, charged or pledged to any other persons;
- (vi) save for the sale and purchase of the Sale Shares pursuant to the Sale and Purchase Agreement, the Offeror Share Charge and the Sale Shares Share Charge, there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of the Offeror or the Company and which might be material to the Offer (as referred to in Note 8 to Rule 22 of the Takeovers Code);

- (vii) there is no agreement or arrangement to which the Offeror, its ultimate beneficial owner, and/or parties acting in concert with any of them is a party which relates to circumstances in which the Offeror may or may not invoke or seek to invoke a pre-condition or a condition to the Offer;
- (viii) there is no relevant security (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror, its beneficial owner and/or parties acting in concert with any of them have borrowed or lent;
- (ix) save for the consideration paid by the Offeror to the Vendor under the Sale and Purchase Agreement, there is no consideration, compensation or benefit in whatever form paid or to be paid by the Offeror, its beneficial owner and/or parties acting in concert with any of them to the Vendor and/or any parties acting in concert with it in connection with the sale and purchase of the Sale Shares;
- (x) save for the Sale and Purchase Agreement, there is no understanding, arrangement and agreement between the Offeror, its beneficial owner and/or parties acting in concert with any of them on one hand, and the Vendor, its beneficial owners and/or parties acting in concert with any of them on the other hand;
- (xi) save for the Sale and Purchase Agreement, there is no understanding, arrangement and agreement between (1) any Shareholder (including the Vendor, its ultimate beneficial owner and parties acting in concert with any of them); and (2) (a) the Offeror, its beneficial owner and/or parties acting in concert with any of them, or (b) the Company, its subsidiaries or associated companies; and
- (xii) there is no understanding, arrangement or agreement which constitutes a special deal (as defined under Rule 25 of the Takeovers Code) between (1) any Shareholder (including the Vendor, its ultimate beneficial owner and parties acting in concert with any of them); and (2)(a) the Offeror, its beneficial owner and/or parties acting in concert with any of them; or (2)(b) the Company, its subsidiaries or associated companies.

INFORMATION OF THE OFFEROR

The Offeror is an investment holding company incorporated in Hong Kong with limited liability on 27 June 2023. As at the date of this joint announcement, save for holding the Sale Shares, the Offeror did not engage in any other business activities or hold any other asset.

The Offeror, its ultimate beneficial owner, and parties acting in concert with any of them are third parties independent of, and not connected with, either the Company or any of its connected persons.

The Offeror is wholly and beneficially owned by Ms. Huang Hou. Ms. Huang Hou, aged 37, graduated from Guangdong Business College (now Guangdong University of Finance and Economics) with a bachelor's degree in business administration. She is currently pursuing a Master of Global Management (MGM) degree at ESC Clermont Graduate School of Management.

Ms. Huang Hou is a professional investor and has experience in investing in securities listed on the Stock Exchange. She is currently, through 中港通國際控股集團有限公司 (for transliteration purpose only, China Connect International Holding Group Company Limited), a corporation controlled by her, interested in approximately 24.4% of the issued share capital of China Bozza Development Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 1069). She is the sole director and sole shareholder of the Offeror.

INTENTION OF THE OFFEROR IN RELATION TO THE GROUP

Following the close of the Offer, the Offeror intends that the Group will continue the principal business of the Group and will maintain the listing status of the Company. The Offeror will conduct a review of the business activities and assets of the Group for the purpose of formulating business plans and strategies for the future business development of the Group.

Subject to the results of the review, the Offeror may explore other business opportunities and consider whether any asset disposals, asset acquisitions, business rationalization, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance the long-term growth potential of the Group. As at the date of this joint announcement, no investment or business opportunity has been identified nor have the Offeror entered into any agreement, arrangement, understanding or negotiation in relation to the injection of any assets or business into the Group.

Save for the Offeror's intention regarding the Group as set out above, the Offeror has no intention to redeploy any fixed assets of the Group (other than in the ordinary and usual course of business of the Group) or to discontinue the employment of the employees of the Group (except as set forth in the section headed "Proposed change of Board composition" in this joint announcement) as at the date of this joint announcement.

PROPOSED CHANGE OF BOARD COMPOSITION

As at the date of this joint announcement, the Board is comprised of six executive Directors, two non-executive Directors and four independent non-executive Directors.

It is intended that all of the executive Directors, non-executive Directors and independent non-executive Directors will resign with effect from the earliest time permitted under the Takeovers Code. The Offeror intends to nominate new Directors for appointment to the Board with effect from the earliest time as allowed under the Takeovers Code and any such appointment will be made in compliance with the Takeovers Code and the Listing Rules. 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). Further announcement(s) will be made upon any changes to the composition to the Board in compliance with the Takeovers Code and Listing Rules as and when appropriate.

Pursuant to the loan agreement in relation to the loan facilities granted by Ultra Accord Limited to the Offeror, the Offeror agreed to procure the appointment of a person nominated by Ultra Accord Limited as a Director with effect from the earliest time permitted under the Takeovers Code, the Listing Rules or other applicable regulations and for so long as any part of the loan facilities or interest thereon or any other amounts payable under the loan agreement or its security documents or any of them remain outstanding.

PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY

The Offeror does not intend to avail itself of any powers of compulsory acquisition of any Shares outstanding after the close of the Offer. The Offeror will, together with the Company, use reasonable endeavours to maintain the listing status of the Shares on the Stock Exchange and procure that not less than 25% of the entire issued share capital in the Company be held by the public in compliance with the Listing Rules. The Directors and any new Director(s) proposed by the Offeror will jointly and severally undertake to the Stock Exchange to take appropriate steps following the close of the Offer to ensure that such number of Shares as may be required by the Stock Exchange are held by the public within the prescribed time frame.

According to the Listing Rules, if, upon the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25%, of the issued Shares are held by the public or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, then the Stock Exchange may exercise its discretion to suspend trading in the Shares. Therefore, it should be noted that upon close of the Offer, there may be insufficient public float of the Shares and the trading in the Shares may be suspended until sufficient public float exists for the Shares.

INFORMATION OF THE GROUP

The Company is incorporated in the Cayman Islands with limited liability and the Shares are listed on the Main Board of the Stock Exchange. The Company acts as an investment holding company and its subsidiaries are principally engaged in fitting-out services and supply of fitting-out materials. The fitting-out services include both (i) fitting-out works conducted on new buildings; and (ii) interior renovation works on existing buildings that involve upgrades, makeovers and demolition of existing works.

Set out below is a summary of the audited consolidated financial information of the Group for each of the two financial years ended 31 March 2023 and 2022, as extracted from the Company's annual report for the year ended 31 March 2023:

	For the year ended 31 March 2023	For the year ended 31 March 2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	205,872	232,203
Loss before tax	(18,663)	(4,020)
Loss after tax	(18,663)	(4,020)
	As at 31 March 2023	As at 31 March 2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Total assets	195,230	207,846
Total liabilities	82,048	76,001
Net asset	113,182	131,845

DEALINGS DISCLOSURE

For the purposes of the Takeovers Code, the Offer Period has commenced on the date of this joint announcement.

In accordance with Rule 3.8 of the Takeovers Code, associates (as defined under the Takeovers Code) of the Company and the Offeror, including persons who own or control 5% or more of any class of relevant securities issued by the Company or the Offeror, are hereby reminded to disclose their dealings in the securities of the Company pursuant to the Takeovers Code.

For this purpose, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 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 HK\$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.”

The Offeror, its nominees or brokers or associates may from time to time make certain purchases of, or arrangements to purchase, Shares other than pursuant to the Offer, before or during the period in which the Offer remains open for acceptance in compliance with the Takeovers Code. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be reported to the SFC and will be publicly disclosed in accordance with the requirements under the Takeovers Code and will be available on the websites of the SFC at <http://www.sfc.hk> and the Stock Exchange at <http://www.hkexnews.hk> on the “Latest Listed Company Information” page.

GENERAL

Independent Board Committee and Independent Financial Adviser

The Independent Board Committee, which comprises all the independent non-executive Directors, namely Mr. Chan Ka Yu, Dr. Lo Ki Chiu, Mr. Leung Wai Lim and Mr. Ma Hon Yiu, has been established to make a recommendation to the Independent Shareholders in relation to the Offer as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer pursuant to Rule 2.1 of the Takeovers Code.

Mr. Chen Jian and Mr. Chen Yidong, both the non-executive Directors, are shareholders of Master Success, the chargor under the Share Charge and are deemed to have direct or indirect interest in the Offer. Therefore, both Mr. Chen Jian and Mr. Chen Yidong are excluded from being a member of the Independent Board Committee.

Merdeka Corporate Finance Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, has been appointed as the Independent Financial Adviser pursuant to Rule 2.1 of the Takeovers Code to advise the Independent Board Committee in connection with the Offer and, in particular, as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer. The appointment of the Independent Financial Adviser has been approved by the Independent Board Committee.

Despatch of the Composite Document

It is the intention of the Offeror and the Board that the offer document from the Offeror and the offeree board circular from the Company be combined in the Composite Document. Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document containing, among other things, (i) details of the Offer (including the expected timetable and terms of the Offer); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Offer; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee in relation to the Offer, together with the relevant forms of acceptance and transfer, will be despatched to the Shareholders within 21 days from the date of this joint announcement or such later date as the Executive may approve.

The Independent Shareholders are encouraged to read the Composite Document carefully, including the recommendation of the Independent Board Committee and the advice of the Independent Financial Adviser as to whether the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned and its acceptance before deciding whether or not to accept the Offer.

WARNING

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

Shareholders and potential investors should exercise caution when dealing in the Shares during the Offer Period. If the Shareholders and potential investors are in any doubt about their position, they should consult their professional advisers.

RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 22 September 2023 pending the publication of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 11 October 2023.

DEFINITIONS

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

“acting in concert”	has the meaning given to it in the Takeovers Code
“Assignment of Loan”	the assignment of loan by way of security to in respect of all the debts owing by the Offeror to Ms. Huang Hou, being the sole shareholder of the Offeror
“associate(s)”	has the meaning given to it in the Takeovers Code
“Board”	the board of Directors
“Business Day(s)”	a day (other than Saturday or Sunday or a day on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which the Stock Exchange is open for the transaction of business
“Charge Over Account”	the charge over account over a cash account in the name of the Offeror with Head & Shoulders Securities of which the Sale Shares are deposited therein
“Company”	Yield Go Holdings Ltd., a company established in the Cayman Islands with limited liability, the issued Shares of which are listed on the Stock Exchange (stock code: 1796)
“Completion”	completion of the sale and purchase of the Sale Shares pursuant to the Sale and Purchase Agreement
“Completion Date”	22 September 2023

“Composite Document”	the composite offer and response document to be jointly despatched by the Offeror and the Company to the Shareholders in connection with the Offer in accordance with the Takeovers Code containing, among other things, details of the Offer, the acceptance and transfer forms, the recommendation of the Independent Board Committee and the advice of the Independent Financial Adviser
“connected person(s)”	has the same meaning given to it under the Listing Rules and the term “connected” shall be construed accordingly
“Debenture”	the first ranking debenture in respect of all of the Offeror’s assets granted by the Offeror in favour of Ultra Accord Limited
“Director(s)”	director(s) of the Company
“Encumbrance”	means and includes any option, right to acquire, right of pre-emption, mortgage, charge, pledge, lien, hypothecation, title retention, right of set-off, claim, counterclaim, trust arrangement or other security, any equity or restriction (including any restriction imposed under the Companies Ordinance) or other adverse rights and interests of all kinds and descriptions
“Executive”	the Executive Director of the Corporate Finance Division of the SFC and any of his delegates
“Group”	the Company and its subsidiaries
“Head & Shoulders Securities”	Head & Shoulders Securities Limited, a corporation licensed to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts) and Type 4 (advising on securities) regulated activities under the SFO and the offer agent to the Offeror
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“HS Loan Agreement”	the facility agreement dated 21 September 2023 entered into by Head & Shoulders Securities as the lender, the Offeror as the borrower and Ms. Huang Hou as the guarantor in relation to a guaranteed and secured loan facility, which is secured by the Offer Shares to be acquired by the Offeror under the Offer (if any), in the principal amount of HK\$56 million
“HS Loan Facility”	the loan facility granted by Head & Shoulders Securities as lender to the Offeror as borrower in an aggregate amount of HK\$56 million for the financing of the Offer in accordance with the HS Loan Agreement
“Independent Board Committee”	the independent committee of the Board, comprising all the independent non-executive Directors, namely Mr. Chan Ka Yu, Dr. Lo Ki Chiu, Mr. Leung Wai Lim and Mr. Ma Hon Yiu, established by the Company to make recommendation to the Independent Shareholders in relation to the Offer
“Independent Financial Adviser” or “Merdeka Corporate Finance”	Merdeka Corporate Finance Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed for the purpose of advising the Independent Board Committee in relation to the Offer and as to acceptance of it
“Independent Shareholders”	Shareholders other than the Offeror and parties acting in concert with it
“Last Trading Day”	21 September 2023, being the last full trading day immediately prior to the suspension of trading in the Shares pending the publication of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Offer”	the mandatory unconditional cash offer to be made by Head & Shoulders Securities for and on behalf of the Offeror to acquire all the issued Shares in the share capital of the Company (other than those Shares already owned or agreed to be acquired by the Offeror and parties acting in concert with it) in accordance with the Takeovers Code

“Offer Period”	the period commenced since 10 October 2023, being the date of this joint announcement and ending on the date of the close of the Offer in accordance with the Takeovers Code
“Offer Price”	the price at which the Offer will be made, being HK\$0.4603 per Offer Share
“Offer Share(s)”	issued Share(s) other than those Shares already owned or agreed to be acquired by the Offeror and parties acting in concert with it
“Offeror”	Yuan Feng Ventures Limited (元豐創投有限公司), a company incorporated in Hong Kong with limited liability, which is wholly and beneficially owned by Ms. Huang Hou
“Offeror Share Charge”	the share charge over the entire issued share capital of the Offeror executed by Ms. Huang Hou, being the sole shareholder of the Offeror in favour of Ultra Accord Limited as security for the loan facility granted by Ultra Accord Limited
“Personal Guarantees”	personal guarantee given by Ms. Huang Hou and her de facto spouse Mr. Bi Peng in favour of Ultra Accord Limited as security for the loan facility granted by Ultra Accord Limited
“PRC”	the People’s Republic of China which, for the purpose of this joint announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Rainbow Capital”	Rainbow Capital (HK) Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the financial adviser to the Offeror in respect of the Offer
“Sale and Purchase Agreement”	the sale and purchase agreement dated 22 September 2023 entered into between the Vendor and the Offeror in respect of the sale and purchase of the Sale Shares
“Sale Share(s)”	360,000,000 Shares, representing 75.0% of the issued share capital of the Company as at the date of the Sale and Purchase Agreement

“Sale Shares Share Charge”	the share charge over the Sale Shares executed by the Offeror in favour of Ultra Accord Limited as security for the loan facility granted by Ultra Accord Limited
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	registered holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning given to it in the Listing Rules
“Takeovers Code”	The Code on Takeovers and Mergers published by the SFC, as amended, supplemented or otherwise modified from time to time
“Vendor”	Hoi Lang Holdings Ltd., a company incorporated in the British Virgin Islands with limited liability, which is owned as to 50%, 30% and 20% by Mr. Man Hoi Yuen, Ms. Ng Yuen Chun and Mr. Ho Chi Hong, respectively
“%”	per cent

By order of the board of
Yuan Feng Ventures Limited
Huang Hou
Sole Director

By order of the Board of
Yield Go Holdings Ltd.
Man Hoi Yuen
Chairman and executive Director

Hong Kong, 10 October 2023

As at the date of this joint announcement, the Board comprises Mr. Man Hoi Yuen, Ms. Ng Yuen Chun, Mr. Ho Chi Hong, Mr. Zheng Gang, Mr. Lin Zheng and Mr. Zheng Chenhui as executive Directors; Mr. Chen Jian and Mr. Chen Yidong as non-executive Directors and Mr. Chan Ka Yu, Dr. Lo Ki Chiu, Mr. Leung Wai Lim and Mr. Ma Hon Yiu as independent non-executive Directors.

Directors issuing this joint announcement jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Offeror and parties acting in concert with it), and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the sole director of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement contained in this joint announcement misleading.

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