
THIS COMPOSITE DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of the Offer, this Composite Document and/or the accompanying Form of Acceptance or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Yield Go Holdings Ltd., you should at once hand this Composite Document and the accompanying Form of Acceptance to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Composite Document and the accompanying Form of Acceptance, make no representation as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Composite Document and the accompanying Form of Acceptance.

This Composite Document should be read in conjunction with the accompanying Form of Acceptance, the contents of which form part of the terms and conditions of the Offer contained herein.

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)

**COMPOSITE DOCUMENT
RELATING TO
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)**

Financial adviser to the Offeror



RAINBOW CAPITAL (HK) LIMITED
溢博資本有限公司

Offer Agent to the Offeror



Independent Financial Adviser to the Independent Board Committee



Capitalised terms used in this cover page shall have the same meanings as those defined in this Composite Document unless the content requires otherwise.

A letter from Head & Shoulders Securities, containing among other things, principal terms of the Offer is set out on pages 7 to 20 of this Composite Document. A letter from the Board is set out on pages 21 to 27 of this Composite Document. A letter from the Independent Board Committee containing its recommendation in respect of the Offer to the Independent Shareholders is set out on pages 28 to 29 of this Composite Document. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee in respect of the Offer is set out on pages 30 to 58 of this Composite Document.

The procedures for acceptance and other related information in respect of the Offer are set out in Appendix I to this Composite Document and the accompanying Form of Acceptance. Form of Acceptance should be received by the Registrar, Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, as soon as possible and in any event no later than 4:00 p.m. on Wednesday, 20 December 2023, or such later time and/or date as the Offeror may determine and announce with the consent of the Executive and in accordance with the Takeovers Code.

Any persons including, without limitation, custodians, nominees and trustees, who would, or otherwise intend to, forward this Composite Document and/or the accompanying Form of Acceptance to any jurisdiction outside Hong Kong should read the paragraphs headed "Overseas Shareholders" in the "Letter from Head & Shoulders Securities" and "Overseas Shareholders" in Appendix I to this Composite Document before taking any action. It is the responsibility of each Overseas Shareholder wishing to accept the Offer to satisfy himself, herself or itself as to the full observance of the laws and regulations of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents or any registration or filing which may be required and the compliance with other necessary formalities or legal requirements and payment of any transfer or other taxes due by such Overseas Shareholder in respect of such jurisdiction. Each Overseas Shareholder is advised to seek professional advice on deciding whether to accept the Offer.

This Composite Document will remain on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.yield-go.com/>) as long as the Offer remains open.

29 November 2023

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EXPECTED TIMETABLE

The timetable set out below is indicative only and is subject to change. Any changes to the timetable will be jointly announced by the Offeror and the Company. Unless otherwise expressly stated, all time and date references contained in this Composite Document refer to Hong Kong time and dates.

Despatch date of this Composite Document
and the accompanying Form of Acceptance and
commencement date of the Offer (*Note 1*) Wednesday, 29 November 2023

Latest time and date for acceptance of the Offer
on the Closing Date (*Notes 2 and 5*) 4:00 p.m. on Wednesday,
20 December 2023

Closing Date (*Notes 3 and 5*) Wednesday, 20 December 2023

Announcement of the results of the Offer as at
the Closing Date, to be posted on the website
of the Stock Exchange (*Notes 2 and 5*) by 7:00 pm on Wednesday,
20 December 2023

Latest date for posting of remittances
for the amount due in respect of valid
acceptances received under the Offer
on the Closing Date (*Notes 4 and 5*) Wednesday, 3 January 2024

Notes:

1. The Offer, which is unconditional, is open for acceptance on and from Wednesday, 29 November 2023, being the date of posting of this Composite Document, until 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and announce with the consent of the Executive and in accordance with the Takeovers Code.
2. Beneficial owners of Shares who hold their Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant should note the timing requirements (as set out in Appendix I to this Composite Document) for causing instructions to be made to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures.
3. In accordance with the Takeovers Code, the Offer must initially be open for acceptance for at least 21 days following the date on which this Composite Document is posted. The Offer will initially remain open for acceptances until 4:00 p.m. on Wednesday, 20 December 2023 unless the Offeror revises or extends the Offer in accordance with the Takeovers Code. An announcement will be issued through the website of the Stock Exchange by 7:00 p.m. on the Closing Date stating the results of the Offer and whether the Offer has been extended or revised, or has expired. The Offeror has the right under the Takeovers Code to extend the Offer until such date as it may determine in accordance with the Takeovers Code (or as permitted by the Executive in accordance with the Takeovers Code). The Offeror and the Company will jointly issue an announcement in relation to any extension of the Offer, in which the announcement will state either the next closing date or, a statement that the Offer will remain open until further notice. In the latter case, at least 14 days' notice in writing must be given before the Offer is closed to those Independent Shareholders who have not accepted the Offer.

EXPECTED TIMETABLE

4. Remittances in respect of the cash consideration (after deducting the seller's ad valorem stamp duty) payable for the Offer Shares tendered under the Offer will be despatched to Independent Shareholders accepting the Offer by ordinary post at their own risk as soon as possible, but in any event within seven (7) Business Days following the date of receipt by the Registrar of all relevant documents to render the acceptance under the Offer complete and valid. Acceptances of the Offer shall be irrevocable and not capable of being withdrawn, except in the circumstances set out in the paragraph headed "Right of Withdrawal" in Appendix I to this Composite Document.
5. If there is a tropical cyclone warning signal no. 8 or above, or a "black rainstorm warning signal",:
 - (a) in force in Hong Kong at any local time before 12:00 noon but no longer in force after 12:00 noon on the latest date for acceptance of the Offer or the latest date for despatch of remittances for the amounts due under the Offer in respect of valid acceptances, the latest time for acceptance of the Offer will remain at 4:00 p.m. on the same Business Day and the latest date for despatch of remittances will remain on the same Business Day; or
 - (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the latest date for acceptance of the Offer or the latest date for despatch of remittances for the amounts due under the Offer in respect of valid acceptances, the latest time for acceptance of the Offer will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m. and the latest date for despatch of remittances will be rescheduled to the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m..

Save as mentioned above, if the latest time for acceptance of the Offer does not take effect on the date and time as stated above, the other dates mentioned above may be affected. The Offeror and the Company will notify the Independent Shareholders by way of announcement(s) on any change to the expected timetable as soon as practicable.

DEFINITIONS

In this Composite Document, unless otherwise defined or the context otherwise requires, the following expressions have the following meanings:

“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”	a day on which the Stock Exchange is open for the transaction of business
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
“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
“Closing Date”	20 December 2023, being the closing date of the Offer, which is no less than 21 days following the date on which this Composite Document is posted, or if the Offer is extended, any subsequent closing date as the Offeror may determine and announce with the consent of the Executive and in accordance with the Takeovers Code
“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)
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Completion”	completion of the sale and purchase of the Sale Shares pursuant to the Sale and Purchase Agreement
“Completion Date”	22 September 2023

DEFINITIONS

“Composite Document”	this composite offer and response document jointly issued by the Offeror and the Company to the Shareholders in connection with the Offer in accordance with the Takeovers Code
“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
“Directors”	director(s) of the Company
“Encumbrance(s)”	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
“Form of Acceptance”	the form of acceptance and transfer of the Offer Shares in respect of the Offer accompanying this Composite Document
“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 dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“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. Mr. Chen Jian and Mr. Chen Yidong, both being both the non-executive Directors, are excluded as they are deemed to have direct or indirect interest in the Offer by being shareholders of Master Success
“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
“Joint Announcement”	the announcement jointly issued by the Company and the Offeror dated 10 October 2023 in relation to, among others, the sale and purchase of the Sale Shares and the Offer
“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 the Joint Announcement
“Latest Practicable Date”	24 November 2023, being the latest practicable date prior to the printing of this Composite Document for ascertaining certain information contained herein

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Master Success”	Master Success International Investment Limited, a limited liability company incorporated in the British Virgin Islands, which is beneficially owned as to 46.67%, 29.33%, 12% and 12% by Mr. Chen Yidong (a non-executive Director), Max Group Investment Limited (a Hong Kong company wholly owned by Mr. Lin Zheng, an executive Director), Mr. Chen Jian (a non-executive Director) and Mr. Wang Kuan, respectively
“Offer”	the mandatory unconditional cash offer 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 the Joint Announcement and ending on Closing Date in accordance with the Takeovers Code
“Offer Price”	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
“Overseas Shareholder(s)”	the Shareholder(s) whose address(es), as shown on the register of members of the Company, is/are outside Hong Kong

DEFINITIONS

“Personal Guarantees”	personal guarantees given by Ms. Huang Hou and her de facto partner 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, for the purpose of this Composite Document, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Promissory Note”	the promissory note dated 29 April 2022 jointly issued by Master Success and Mr. Lin Zheng to the Vendor in the principal amount of HK\$151,500,000 with interest of 8% per annum
“Rainbow Capital”	Rainbow Capital (HK) Limited, a corporation licensed under the SFO to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities, being the financial adviser to the Offeror in respect of the Offer
“Registrar”	Boardroom Share Registrars (HK) Limited, the branch share registrar and transfer office of the Company in Hong Kong, located at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong
“Relevant Period”	the period commencing from 10 April 2023, being the date falling six months immediately preceding the commencement of the Offer Period, up to and including the Latest Practicable Date
“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

DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“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 to secure the Promissory Note
“Shareholder(s)”	registered holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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



To the Independent Shareholders 29 November 2023

Dear Sir or Madam,

**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)**

INTRODUCTION

Reference is made to the Joint Announcement.

Pursuant to a sale and purchase agreement dated 29 April 2022 entered into among 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 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 the Share Charge 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.

LETTER FROM HEAD & SHOULDERS SECURITIES

Master Success and Mr. Lin Zheng as joint issuer of the Promissory Note had since 31 August 2022 (the 4th instalment payment) 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. As at the Latest Practicable Date, Master Success and Mr. Lin Zheng had repaid HK\$3,030,000 to the Vendor and there were outstanding principal of HK\$151,500,000 and interests of HK\$14,759,032.25, respectively, pursuant to the Promissory Note.

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 the 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. The said loan matures on the date falling six months after the date of the loan agreement entered into between the Offeror and Ultra Accord Limited dated 22 September 2023 and the interest rate on the said loan was 30% per annum. 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 Latest Practicable Date, 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.

This letter forms part of this Composite Document and sets out, among other things, principal terms of the Offer, together with the information on the Offeror and the intention of the Offeror regarding the Group. Further details of the Offer are also set out in Appendix I to this Composite Document and the accompanying Form of Acceptance. Your attention is also drawn to the "Letter from the Board", the "Letter from the Independent Board Committee" to the Independent Shareholders and the "Letter from the Independent Financial Adviser" to the Independent Board Committee as contained in this Composite Document.

LETTER FROM HEAD & SHOULDERS SECURITIES

THE OFFER

Principal terms of the Offer

Head & Shoulders Securities is, for and on behalf of the Offeror, making the Offer to acquire all the Offer Shares 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, which was arrived at after arm's length negotiations between the Offeror and the Vendor.

The Offer is unconditional in all respects. The Offer is extended to all Shares in issue other than those Shares held by the Offeror and parties acting in concert with it.

As at the Latest Practicable Date, 480,000,000 Shares were in issue and 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.

The procedures for acceptance and further details of the Offer are set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

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;

LETTER FROM HEAD & SHOULDERS SECURITIES

- (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 Latest Practicable Date;
- (vi) a premium of approximately 95.79% over the net asset value per Share of approximately HK\$0.2351, calculated based on the Group's unaudited consolidated net asset value attributable to the Shareholders as at 30 September 2023 of approximately HK\$112.8 million, divided by the number of issued Shares as at the Latest Practicable Date; and
- (vii) a discount of approximately 86.01% to the closing price of HK\$3.29 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

Highest and lowest Share prices

The highest closing price of the Shares quoted on the Stock Exchange during the Relevant Period was HK\$3.45 per Share on 30 October 2023.

The lowest closing price of the Shares quoted on the Stock Exchange during the Relevant Period was HK\$0.73 per Share on 21 June 2023.

Total value of the Offer

As at the Latest Practicable Date, there are 480,000,000 Shares in issue. Assuming that there is no change in the issued share capital of the Company from the Latest Practicable Date up to the close of the Offer 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 is 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 Shares. 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.

The Offer Shares to be acquired under the Offer shall be fully paid and free from all Encumbrances and together with all rights and interests attached thereto, including all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, that is, the date of despatch of this Composite Document. As at the Latest Practicable Date, 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 prior to the close of the Offer.

LETTER FROM HEAD & SHOULDERS SECURITIES

Financial resources available for the Offer

Completion took place on 22 September 2023 and the consideration has been paid by the Offeror to the Vendor in accordance with the Sale and Purchase Agreement. The consideration 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.

Ultra Accord Limited, being a party acting in concert with the Offeror, 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, a third party independent of, and not connected with the Offeror or any of its connected persons, 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 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 Latest Practicable Date 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 acquired under the Offer and guaranteed by Ms. Huang Hou in favour of Head & Shoulders Securities.

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 Latest Practicable Date.

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.

LETTER FROM HEAD & SHOULDERS SECURITIES

Effect 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 this Composite Document. Acceptance of the Offer will be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code.

Independent Shareholders are reminded to read the recommendations of the Independent Board Committee and the advice of the Independent Financial Adviser in respect of the Offer which are included in the “Letter from the Independent Board Committee” and the “Letter from the Independent Financial Adviser” as contained in this Composite Document.

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 0.1% 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).

LETTER FROM HEAD & SHOULDERS SECURITIES

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, the Independent Financial Adviser 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).

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. There are no overseas Independent Shareholders identified as at the Latest Practicable Date.

INFORMATION ON THE GROUP

Your attention is also drawn to the information on the Group set out in the section headed “Information of the Group” in the “Letter from the Board” and Appendices II and IV as contained in this Composite Document.

INFORMATION ON THE OFFEROR

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

LETTER FROM HEAD & SHOULDERS SECURITIES

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 39, 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). Ms. Huang Hou is solely a Shareholder and will not take up any management role in the Group and the management of the business and operation of the Group will rest with the Board and the senior management of the Group. 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 existing principal business of the Group engaging in fitting-out services and supply of fitting-out materials 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 Latest Practicable Date, no investment or business opportunity has been identified nor have the Offeror and the Company entered into any agreement, arrangement, understanding or negotiation in relation to the injection of any assets or business into the Group, or disposal of or downsizing the Group's existing business.

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" below) as at the Latest Practicable Date.

LETTER FROM HEAD & SHOULDERS SECURITIES

Proposed change of Board composition

As at the Latest Practicable Date, 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 (i) Mr. Liang Wenzhi, Mr. Han Dongguang and Mr. Kang Ruipeng as executive Directors; and (ii) Mr. He Jian Yu, Mr. Zhou Di, Ms. Meng Xiaoying and Mr. Cheng Pak Lam as independent non-executive Directors. Mr. Kang Ruipeng will also be nominated as one of the authorised representatives of the Company. Considering (i) the Group is principally engaged in fitting-out services and supply of fitting-out materials, the business model of which is simple and straight forward and the management of which does not require any intensive knowledge or expertise; (ii) Mr. Ho Chi Hong, an existing executive Director, will not hold other position in the Company other than being retained as a regular employee of the Group, and to undertake director position of Hoi Sing Decoration Engineering Company Limited, a principal operating subsidiary of the Company, the revenue of which accounted for approximately 92.7% and 97.8% of the Group's revenue for the years ended 31 March 2022 and 2023, respectively, and he possesses 25 years of experience in the construction industry; (iii) Mr. Kang Ruipeng possesses 5 years of relevant experience in the property construction and development industry; and (iv) the other directors to be newly appointed have extensive experience in business management, the directors to be appointed are capable of overseeing and managing the business of the Group with the assistance of Mr. Ho Chi Hong and the other existing employees under the fitting-out business of the Group, and the proposed change of Board composition will not cause any material adverse impact on the business operation of the Group.

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. Ultra Accord Limited intends to nominate Mr. Zhou Danqing as a non-executive Director. The appointment of the above new executive Directors, non-executive Director and independent non-executive Directors will take effect after the posting of this Composite Document and further announcement will be made by the Company for the appointment of the new Directors.

LETTER FROM HEAD & SHOULDERS SECURITIES

Set out below are the biographies of the proposed Directors:

Proposed executive Directors

Mr. Liang Wenzhi (梁文志) (“**Mr. Liang**”), aged 40, has over five years of experience in the cultural and travel industry and over ten years of experience in the management consulting industry. Mr. Liang has since September 2021 been the president of Shenzhen Yuanfeng Cultural and Travel Industry Development Company Limited (深圳圓豐文化旅遊產業發展有限公司), a company principally engaged in development, planning and design, preparation and management of cultural tourism-related projects and investment in cultural tourism, and the president of Shenzhen Yuanfeng Enterprise Management Company Limited (深圳元豐企業管理有限公司), a company principally engaged in corporate management consulting, business information consulting and marketing planning. Mr. Liang has since February 2023 been the non-executive director of China Investment Fund Company Limited, a company listed on the Stock Exchange (stock code: 612.HK). Mr. Liang obtained a bachelor’s degree majoring in foreign languages in June 2006 from the Wuhan Institute of Technology in Hubei Province, the PRC.

Mr. Han Dongguang (韓東廣) (“**Mr. Han**”), aged 39, has over 13 years of experience in the asset management and financial services. Mr. Han has since February 2023 been the chief risk officer and chief private banker of Shenghe Family Enterprise Management Co., Ltd. (深圳晟禾家族企業管理有限公司), a company principally engaged in the management of family assets. Prior to that, Mr. Han was the chief risk officer of Xi’an Youfa Investment Management Co., Ltd. (西安友發投資管理有限公司), a company principally engaged in the management of investment, assets, equities and funds, from July 2020 to February 2023. Mr. Han obtained a bachelor’s degree majoring in finance in July 2007 from the Harbin University of Commerce in Heilongjiang Province, the PRC. Mr. Han has been a fellow member of the Association of International Accountants (FAIA) since April 2023, an International Certified Public Accountant (ICPA) since January 2023, a member of The Forensic CPA Society (FCPAS) since July 2023, and a member of the Chartered Valuation Analyst (CVA) Institute since January 2020.

Mr. Kang Ruipeng (康睿鵬) (“**Mr. Kang**”), aged 42, has over 5 years of experience in property construction and development and over 13 years of experience in corporate social relations, top-level design of corporate development strategic planning, and corporate investment and financing. Mr. Kang has since 2018 been the president of Zhongxu Guanhong Holding Group Co., Ltd. (中旭冠閣控股集團有限公司), a conglomerate that focuses on the innovation and transformation of traditional enterprises and integrates industrial revitalization and capital operation. Mr. Kang obtained a diploma in traffic operation management from Hebei Transportation Vocational and Technical College in Hebei Province, the PRC, in 2004.

LETTER FROM HEAD & SHOULDERS SECURITIES

Proposed non-executive Director

Mr. Zhou Danqing (周丹青) (“**Mr. Zhou DQ**”), aged 36, has over 13 years of experience in corporate finance. He has since 2020 been a manager of Ultra Accord Limited, a company principally engaged in money lending business in Hong Kong. Mr. Zhou DQ obtained a bachelor’s degree in business administration from the Chinese University of Hong Kong. He is a Chartered Financial Analyst, a Financial Risk Manager charter-holder, an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom and a member of the Association of Chartered Certified Accountants.

Mr. Zhou DQ is nominated by Ultra Accord Limited pursuant to the loan agreement in relation to the loan facilities granted by Ultra Accord Limited to the Offeror, wherein 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.

Proposed independent non-executive Directors

Mr. He Jian Yu (何建宇) (“**Mr. He**”), aged 40, has years of experience in investment in the jewellery industry. Mr. He has since 2020 been the general manager of Shenzhen Kaicheng Jewelry and Gold Industry Co., Ltd. (深圳市凱程珠寶金業有限公司), a company principally in the trading of jewellery, gold and precious metal.

Mr. Zhou Di (周地) (“**Mr. Zhou Di**”), aged 59, has over 14 years of experience in the cultural and travel industry and over five years of experience in marketing operation. Mr. Zhou Di has since January 2021 been the general manager of Longxing New Cultural Tourism Development (Shenzhen) Co., Ltd. (龍行新文旅發展(深圳)有限公司), a company principally engaged in tourism resource development, marketing, sales and development of tourism supplies, cultural tourism, and investment in projects under the sports, tourism and catering industries. Mr. Zhou Di obtained a bachelor’s degree majoring in finance in July 1984 from GuiZhou University of Finance and Economics in Guizhou Province, the PRC.

Ms. Meng Xiaoying (孟小楹) (“**Ms. Meng**”), aged 41, has over seven years of experience in the cultural and travel industry and over ten years of experience in marketing. Ms. Meng has since August 2021 been the general manager of Yingyun Cultural (Shenzhen) Co., Ltd. (楹運文創(深圳)有限公司), a company principally engaged in literary and artistic creation, event planning, education consulting, and cultural and artistic exchange events. Ms. Meng has also been the general manager of Shenzhen Yingyun Health Management Co., Ltd. (深圳楹運健康管理有限公司), a company principally engaged in health consulting services, health care services, and the sales of health food. Ms. Meng obtained a bachelor’s degree majoring in marketing in July 2017 from China University of Geosciences in Hubei Province, the PRC.

LETTER FROM HEAD & SHOULDERS SECURITIES

Mr. Cheng Pak Lam (鄭柏林) (“**Mr. Cheng**”), aged 34, has ten years of experience in audit and finance. Mr. Cheng has since April 2022 been the chief financial officer of Max Team Engineering Limited, a company principally engaged in maritime construction and vessel chartering services in Hong Kong. Mr. Cheng obtained a bachelor’s degree majoring in accounting in 2012 from Flinders University, Adelaide, Australia. Mr. Cheng is a fellow member and practising member of the Hong Kong Institute of Certified Public Accountants and a member of the CPA Australia.

The Company will enter into a service agreement with each of Mr. Liang, Mr. Han, Mr. Kang and Mr. Zhou DQ, respectively, with a term of three years from the date of appointment, subject to retirement by rotation and re-election at the annual general meeting in accordance with the articles of association of the Company. During their terms of service, Mr. Liang, Mr. Han, Mr. Kang and Mr. Zhou DQ will be entitled to a monthly remuneration of HK\$10,000, HK\$10,000, HK\$10,000 and HK\$25,000 respectively for his service as an executive Director or non-executive Director, as the case may be. Such remuneration has been determined with reference to their duties and responsibilities with the Company, the Company’s remuneration policy and the prevailing market conditions.

The Company will enter into an appointment letter with each of Mr. He, Mr. Zhou Di, Ms. Meng and Mr. Cheng with a term of three years from the date of appointment, subject to retirement by rotation and re-election at the annual general meeting in accordance with the articles of association of the Company. Each of Mr. He, Mr. Zhou Di, Ms. Meng and Mr. Cheng will be entitled to a fee of HK\$10,000 per month. Such emolument has been determined with reference to their duties and responsibilities with the Company, the Company’s remuneration policy and the prevailing market conditions.

Each of Mr. Liang, Mr. Han, Mr. Kang, Mr. Zhou DQ, Mr. He, Mr. Zhou Di, Ms. Meng and Mr. Cheng has confirmed that, save as disclosed in this Composite Document, as at the Latest Practicable Date, he or she did not (i) hold any directorship in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (ii) have any relationship with any director, senior management or substantial or controlling shareholders of the Company; (iii) hold any position in the Company or other members of the Group; and (iv) have nor deemed to have any interest in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)).

Save as disclosed in this Composite Document, there is no other information relating to the appointment of Mr. Liang, Mr. Han, Mr. Kang, Mr. Zhou DQ, Mr. He, Mr. Zhou Di, Ms. Meng and Mr. Cheng that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders.

Each of Mr. He, Mr. Zhou Di, Ms. Meng and Mr. Cheng has confirmed that he or she meets the independence criteria as set out in Rule 3.13 of the Listing Rules.

LETTER FROM HEAD & SHOULDERS SECURITIES

Any changes to the Board will be made in compliance with the Takeovers Code and the Listing Rules and further announcement will be made by the Company as and when appropriate. Save as aforesaid, the Offeror have no intention to introduce any significant changes to the management of the Company following the close of the Offer.

Public float and maintaining the listing status of the Company

The Stock Exchange has stated that if, at 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 at all times, 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, the Stock Exchange will consider exercising its discretion to suspend dealings in the Shares. Therefore, upon the 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.

The Offeror intends the Company to remain listed on the Stock Exchange after the close of the Offer. The Offeror and the new Directors to be appointed by the Offeror to the Board will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares, i.e. at least 25% of the entire issued share capital of the Company will be held by the public at all times following the close of the Offer.

ACCEPTANCE AND SETTLEMENT OF THE OFFER

Your attention is drawn to the details regarding the procedures for acceptance and settlement of the Offer as set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

COMPULSORY ACQUISITION

The Offeror does not intend to exercise of any power of compulsory acquisition of any Offer Shares outstanding and not acquired under the Offer after the close of the Offer.

GENERAL

To ensure equality of treatment of all Independent Shareholders, those Independent Shareholders who hold the Shares as nominee for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. In order for the beneficial owners of the Shares, whose investments are registered in nominee names, to accept the Offer, it is essential that they provide instructions to their nominees of their intentions with regard to the Offer.

LETTER FROM HEAD & SHOULDERS SECURITIES

All documents and remittances will be sent to the Independent Shareholders by ordinary post at their own risk. These documents and remittances will be sent to them at their respective addresses as they appear in the register of members, or, in case of joint holders to the Independent Shareholder whose name appears first in the said register of members. None of the Offeror, parties acting in concert with the Offeror, the Company, the Vendor, Head & Shoulders Securities, Rainbow Capital, the Independent Financial Adviser and their respective ultimate beneficial owners, directors, advisers, agents or associates or any other person involved in the Offer will be responsible for any loss or delay in transmission of such documents and remittances or any other liabilities that may arise as a result thereof.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information regarding the Offer set out in the appendices to this Composite Document and the accompanying Form of Acceptance, which form part of this Composite Document. Your attention is also drawn to the “Letter from the Board”, the “Letter from the Independent Board Committee” and the letter of advice by the Independent Financial Adviser to the Independent Board Committee in respect of the Offer as set out in the “Letter from the Independent Financial Adviser” contained in this Composite Document.

Yours faithfully
for and on behalf of
Head & Shoulders Securities Limited
Wilson Chan
Director

LETTER FROM THE BOARD

Yield Go Holdings Ltd.
耀高控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1796)

Executive Directors:

Mr. Man Hoi Yuen
Ms. Ng Yuen Chun
Mr. Ho Chi Hong
Mr. Zheng Gang
Mr. Lin Zheng
Mr. Zheng Chenhui

Non-executive Directors:

Mr. Chen Jian
Mr. Chen Yidong

Independent non-executive Directors:

Mr. Chan Ka Yu
Dr. Lo Ki Chiu
Mr. Leung Wai Lim
Mr. Ma Hon Yiu

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Head office and principal place of
business in Hong Kong:*

Unit 3, 32/F
Cable TV Tower
No. 9 Hoi Shing Road
Tsuen Wan, New Territories
Hong Kong

29 November 2023

To the Independent Shareholders

Dear Sir or Madam,

**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)**

INTRODUCTION

Reference is made to the Joint Announcement.

LETTER FROM THE BOARD

Pursuant to a sale and purchase agreement dated 29 April 2022 entered into among 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 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 the Share Charge 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 the 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 the Latest Practicable Date, 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.

LETTER FROM THE BOARD

The purpose of this Composite Document (of which this letter forms part) is to provide you with, among other things: (i) the information relating to the Group, the Offeror and parties acting in concert with it; (ii) the letter from Head & Shoulders Securities containing, among others, the details of the Offer; (iii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Offer; and (iv) a letter of advice from the Independent Financial Adviser to the Independent Board Committee in respect of the Offer.

Terms used in this letter shall have the same meanings as those defined in this Composite Document unless the context otherwise requires.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 2.1 of the Takeovers Code, the Independent Board Committee, comprising all independent non-executive Directors who have no direct or indirect interest in the Offer, namely Mr. Chan Ka Yu, Dr. Lo Ki Chiu, Mr. Leung Wai Lim and Mr. Ma Hon Yiu, has been established to advise the Independent Shareholders 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.

Mr. Chen Jian and Mr. Chen Yidong, both being 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 has been appointed as the Independent Financial Adviser 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 Merdeka Corporate Finance has been approved by the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code.

You are advised to read the “Letter from the Independent Board Committee”, the “Letter from the Independent Financial Adviser” and the additional information contained in the appendices to this Composite Document before taking any action in respect of the Offer.

THE OFFER

Head & Shoulders Securities is, for and on behalf of the Offeror, making the Offer to acquire all the Offer Shares 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, which was arrived after arm’s length negotiations between the Offeror and the Vendor.

LETTER FROM THE BOARD

The Offer is unconditional in all respects. The Offer is extended to all Shares in issue other than those Shares held by the Offeror and parties acting in concert with it.

As at the Latest Practicable Date, 480,000,000 Shares were in issue and 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.

Further details regarding the Offer, including the terms and procedures for acceptance of the Offer are set out in the “Letter from Head & Shoulders Securities” and Appendix I to this Composite Document and the accompanying Form of Acceptance.

INFORMATION ON THE OFFEROR

Your attention is drawn to the section headed “Information on the Offeror” in the “Letter from Head & Shoulders Securities” in this Composite Document for information on the Offeror.

INFORMATION ON 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 the Group is 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 consolidated financial information of the Group for each of the two financial years ended 31 March 2022 and 2023, as extracted from the Company’s annual report for the year ended 31 March 2023 and for the six months ended 30 September 2022 and 2023, as extracted from the Company’s interim results announcement for the six months ended 30 September 2023:

	For the six months ended 30 September 2023 HK\$’000 (unaudited)	For the six months ended 30 September 2022 HK\$’000 (unaudited)	For the year ended 31 March 2023 HK\$’000 (audited)	For the year ended 31 March 2022 HK\$’000 (audited)
Revenue	218,039	97,288	205,872	232,203
Loss before tax	(350)	(4,653)	(18,663)	(4,026)
Loss after tax	(350)	(4,653)	(18,663)	(4,020)

LETTER FROM THE BOARD

	As at 30 September 2023	As at 31 March 2023	As at 31 March 2022
	<i>HK\$'000</i> (unaudited)	<i>HK\$'000</i> (audited)	<i>HK\$'000</i> (audited)
Total assets	209,096	195,230	207,846
Total liabilities	96,264	82,048	76,001
Net asset	112,832	113,182	131,845

Your attention is also drawn to Appendices II and IV to this Composite Document which contain further financial and general information of the Group.

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 Latest Practicable Date:

	Immediately prior to Completion		Immediately upon Completion and as at the Latest Practicable Date	
	<i>Number of Shares</i>	<i>Percentage of shareholding (approximately) (%)</i>	<i>Number of Shares</i>	<i>Percentage of shareholding (approximately) (%)</i>
Master Success (<i>Note 1</i>)	360,000,000	75.0	–	–
The Offeror (<i>Note 2</i>)	–	–	360,000,000	75.0
Public Shareholders	120,000,000	25.0	120,000,000	25.0
Total	480,000,000	100.00	480,000,000	100.00

Notes:

- 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.
- The ultimate beneficial owner and parties acting in concert with the Offeror does not hold any Shares.

LETTER FROM THE BOARD

INTENTIONS OF THE OFFEROR IN RELATION TO THE GROUP

Your attention is drawn to the section headed “Intentions of the Offeror in relation to the Group” in the “Letter from Head & Shoulders Securities” in this Composite Document. The Board is pleased to note that, as at the Latest Practicable Date, the Offeror intended to continue the existing principal businesses of the Group and had no intention to discontinue the employment of the employees (save for changes in the composition of the Board) or to dispose of or re-deploy the assets of the Group other than those in its ordinary course of business, and the Offeror had no definitive plan, and had not engaged in any discussion or negotiation, on any injection of any assets or businesses into the Group.

The Offeror intends to nominate new directors to the Board with effect after the posting of this Composite Document and 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. Your attention is drawn to the section headed “Proposed change of Board composition” in the “Letter from Head & Shoulders Securities” in this Composite Document for the biographies of the proposed new Directors.

Any further changes to the members of the Board will be made in compliance with the Takeovers Code and/or the Listing Rules and the articles of association of the Company and further announcement(s) will be made as and when appropriate in accordance with the Listing Rules.

MAINTAINING THE LISTING STATUS OF THE COMPANY

The Stock Exchange has stated that if, at 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 at all times, 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, the Stock Exchange will consider exercising its discretion to suspend dealings in the Shares. Therefore, upon the 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.

The Offeror intends the Company to remain listed on the Stock Exchange after the close of the Offer. The Offeror and the new Directors to be appointed by the Offeror to the Board will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares, i.e. at least 25% of the entire issued share capital of the Company will be held by the public at all times following the close of the Offer.

LETTER FROM THE BOARD

RECOMMENDATION

Your attention is drawn to (i) the “Letter from the Independent Board Committee” as set out on page 28 to 29 of this Composite Document which contains its recommendation to the Independent Shareholders as to whether the Offer is, or is not, fair and reasonable and as to their acceptance of the Offer; and (ii) the “Letter from the Independent Financial Adviser” as set out on page 30 to 58 of this Composite Document which contains its advice to the Independent Board Committee in connection with the Offer and the principal factors considered by it in arriving at its advice.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information contained in the appendices to this Composite Document. Further details on the terms and the procedures for acceptance of the Offer are set out in Appendix I “Further Terms and Procedures for Acceptance of the Offer” to this Composite Document and the accompanying Form of Acceptance.

In considering what action to take in connection with the Offer, you should also consider your own tax positions, if any, and in case of any doubt, consult your professional advisers.

Yours faithfully,
For and on behalf of the Board of
Yield Go Holdings Ltd.
Man Hoi Yuen
Chairman and Executive Director

Yield Go Holdings Ltd.
耀高控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1796)

29 November 2023

To the Independent Shareholders

Dear Sirs,

**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)**

INTRODUCTION

We refer to the Composite Document jointly issued by the Company and the Offeror dated 29 November 2023, of which this letter forms part. Unless the context otherwise requires, terms used in this letter shall have the same meaning as those defined in the Composite Document.

We have been appointed by the Board to form the Independent Board Committee to consider the Offer and to advise the Independent Shareholders as to, in our opinion, whether or not the Offer is fair and reasonable and to make recommendation in respect of acceptance of the Offer.

Merdeka Corporate Finance has been appointed as the Independent Financial Adviser with our approval to make recommendation to us in respect of Offer and, in particular, whether the Offer is fair and reasonable and to make recommendation in respect of the acceptance of the Offer. Details of its advice and recommendation, together with the principal factors and reasons which it has considered before arriving at such recommendation, are set out in the “Letter from the Independent Financial Adviser” in this Composite Document.

We also wish to draw your attention to the “Letter from the Board” and the additional information set out in the Appendices to this Composite Document.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Taking into account the terms of the Offer and the independent advice and recommendations from Merdeka Corporate Finance, we consider that the Offer is not fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders not to accept the Offer.

The Independent Shareholders are recommended to read the full text of the section headed “Letter from the Independent Financial Adviser” as set out in this Composite Document.

Yours faithfully,
For and on behalf of
the Independent Board Committee of
Yield Go Holdings Ltd.

Mr. Chan Ka Yu
*Independent non-
executive Director*

Dr. Lo Ki Chiu
*Independent non-
executive Director*

Mr. Leung Wai Lim
*Independent non-
executive Director*

Mr. Ma Hon Yiu
*Independent non-
executive Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of a letter of advice from the Independent Financial Adviser setting out the advice to the Independent Board Committee and the Independent Shareholders in respect of the Offer, which has been prepared for the purpose of inclusion in this Composite Document.



Room 1108–1110, 11/F.
Wing On Centre
111 Connaught Road Central
Hong Kong

29 November 2023

*To: The Independent Board Committee and the Independent Shareholders of
Yield Go Holdings Ltd.*

Dear Sirs or Madams,

**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)**

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee in relation to the Offer, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the composite document dated 29 November 2023 (the “**Composite Document**”) jointly issued by the Offeror and Yield Go Holdings Ltd (the “**Company**”, collectively with its subsidiaries as the “**Group**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in this Composite Document unless the context requires otherwise.

As set out in the Board Letter, pursuant to a sale and purchase agreement dated 29 April 2022 entered into among 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 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.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Promissory Note was secured by the Share Charge executed by Master Success as chargor in favour of the Vendor as chargee over the Sale Shares. Under the Promissory Note, Master Success was 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 since 31 August 2022 (the 4th instalment payment) 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. As at the Latest Practicable Date, Master Success and Mr. Lin Zheng had repaid HK\$3,030,000 to the Vendor and there were outstanding principal of HK\$151,500,000 and interests of HK\$14,759,032.25, respectively, pursuant to the Promissory Note.

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 the 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. The said loan matures on the date falling six months after the date of the loan agreement entered into between the Offeror and Ultra Accord Limited dated 22 September 2023 and the interest rate on the said loan was 30% per annum. 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 Latest Practicable Date, 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.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As at the Latest Practicable Date, 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 Latest Practicable Date.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee 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, has been established in accordance with Rule 2.1 of the Takeovers Code to advise and give a recommendation to the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer.

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.

In our capacity as the Independent Financial Adviser, our role is to give an independent opinion to the Independent Board Committee as to whether the terms of the Offer are fair and reasonable and as to acceptance so far as the Independent Shareholders are concerned and such appointment has been approved by the Independent Board Committee.

OUR INDEPENDENCE

During the past two years, we were engaged as an independent financial adviser to the then independent board committee and the then independent shareholders of the Company in respect of the unconditional mandatory cash offer of the Company, details of which are set out in the composite document dated 22 June 2022 (the “**Previous Engagement**”). Apart from normal professional fees payable to us by the Company in connection with the Previous Engagement and the engagement to act as the Independent Financial Adviser, no arrangement exists whereby we will receive any fees and/or benefits from the Group.

Therefore, we are not connected with the directors, chief executive and substantial shareholders of the Company or the Offeror or controlling shareholder of the Offeror or any of their respective subsidiaries or their respective associates or any party acting, or presumed to be acting, in concert with any of them and as at the Latest Practicable Date, we did not have shareholding, directly or indirectly, in any of them (if applicable) and any of their respective associates and, as at the Latest Practicable Date, did not have any shareholding, directly or indirectly, in any entities within the Group or the Offeror or any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any entities within the Group and the Offeror. We are not aware of any relationships or interest between us and the Company, the Offeror and the controlling shareholder of the Offeror and the concert parties of any of them or any other parties that could be reasonably be regarded as

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

hindrance to our independence as defined under Rule 13.84 of the Listing Rules and Rule 2.6 of the Takeovers Code to act as the Independent Financial Adviser to the Independent Board Committee in respect of the terms of the Offer. We are eligible to give independent advice and recommendations on the terms of the Offers and as to acceptance thereof. Apart from normal professional fees payable to us in connection with this appointment as the Independent Financial Adviser to the Independent Board Committee, no arrangement exists whereby we will receive any fees from the Offeror and the Company, their subsidiaries, their associates or their respective substantial shareholders or associates.

BASIS OF OUR ADVICE

In formulating our advice and recommendation to the Independent Board Committee, we have relied on the statements, information, opinions and representations contained in or referred to in this Composite Document and the information and representations as provided to us by the Directors and the management of the Company (the “**Management**”). Our review procedures include, among others, review of the annual report of the Group for each of the year ended 31 March 2023 (the “**2023 Annual Report**”) and the year ended 31 March 2022 (the “**2022 Annual Report**”), the interim result announcement of the Group for the six months ended 30 September 2023 (the “**2023 Interim Announcement**”), this Composite Document, relevant announcements published by the Company, the industry trends of the Group’s principal business, the historical Share price performance and the trading liquidity of the Company, and comparable companies to the Company. We have assumed that all information and representations that have been provided by the Directors and the Management are true, complete and accurate in all material respects at the time when they were made and up to the date throughout the Offer Period and should there be any material changes thereto or of our opinion, Shareholders would be notified as soon as possible in accordance with Rule 9.1 of the Takeovers Code. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in this Composite Document were reasonably made after due enquiries and careful considerations.

We consider that we have been provided with sufficient information on which to form a reasonable basis for our opinion. We have no reason to suspect that any relevant information has been withheld, nor are we aware of any fact or circumstance which would render the information provided and representations made to us untrue, inaccurate or misleading. We consider that we have performed all the necessary steps to enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our opinion.

The Directors have confirmed that, to the best of their information and knowledge, they believe that no material fact or information has been omitted from the information supplied and that the representations made or opinions expressed have been arrived at after due and careful consideration and there are no other facts or representations the omission of which would make any statement in this Composite Document, including this letter, misleading.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

While we have taken reasonable steps to satisfy the requirements under the Takeovers Code and the Listing Rules, we have not carried out any independent verification of the information, opinions or representations given or made by or on behalf of the Company or the Offeror as set out in this Composite Document, nor have we conducted an independent investigation into the business affairs or assets and liabilities of the Group or any of the other parties involved in the Offer.

We have not considered the tax and regulatory implications on the Independent Shareholders of acceptance or non-acceptance of the Offer since these depend on their individual circumstances. In particular, the Independent Shareholders who are resident overseas or subject to overseas taxes or Hong Kong taxation on securities dealings should consider their own tax positions, and if in any doubt, should consult their own professional adviser.

This letter is issued for the information of the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Offer, and except for its inclusion in this Composite Document, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation to the Independent Board Committee and the Independent Shareholders in relation to the Offer, we have considered the principal factors and reasons as set out below:

1. Background information of the Group

1.1 Principal business

As set out in the Board Letter, 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 the Group is 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 (collectively, being the “**Fitting-Out Services**”). As set out in the 2023 Annual Report, the Group only engages its business in Hong Kong.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

1.2 Historical financial information

Set out below is a summary of the consolidated results of the Group (i) for the three financial years ended 31 March 2021 (“FY2021”), 31 March 2022 (“FY2022”), and 31 March 2023 (“FY2023”) as extracted from the 2022 Annual Report and the 2023 Annual Report, respectively; and (ii) for the six months ended 30 September 2022 (“HY2022”) and 2023 (“HY2023”) as extracted from the 2023 Interim Announcement.

Table 1: Historical financial information of the Group

	For the year ended 31 March			For the six months ended 30 September	
	2023	2022	2021	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Audited)	(Audited)	(Audited)	(Unaudited)	(Unaudited)
Revenue	205,872	232,203	278,182	218,039	97,288
– Fitting-Out Services (including fitting-out works and interior renovation works)	205,858	221,539	278,182	218,039	97,288
– Supply of fitting-out materials	14	10,664	nil	nil	nil
Gross profit/(loss)	12,122	9,890	(28,141)	10,685	6,643
(Loss) and total comprehensive expense for the year attributable to equity holders of the Company	(18,663)	(4,020)	(32,515)	(350)	(4,653)
	As at 30 September		As at 31 March		
	2023		2023	2022	2021
	<i>HK\$'000</i>		<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)		(Audited)	(Audited)	(Audited)
Non-current assets	1,391	1,962	1,298	2,339	
Current assets	207,705	193,268	206,548	208,210	
Current liabilities	95,872	28,101	75,957	73,842	
Non-current liability	392	53,947	44	842	
Net assets	112,832	113,182	131,845	135,865	

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As demonstrated above, the Group derived more than 95% of its annual revenue from provision of the Fitting-Out Services for three consecutive financial years since FY2021. According to the 2023 Annual Report and as confirmed by the Management, these services are mainly offered to residential and commercial properties in the private sector in Hong Kong on a project basis.

(i) For the six months ended 30 September 2023 and 2022

During HY2023, the Group's total revenue increased by approximately HK\$120.8 million or 124.0% from approximately HK\$97.3 million for HY2022 to approximately HK\$218.0 million for HY2023, which is primarily attributable to the increase in number of sizeable projects undertaken by the Company and available in the market following the economic recovery after the COVID-19 pandemic during HY2023. As advised by the Management, these newly undertaken projects locate at Pak Shek Kok, Tin Wing Station and Siu Hong Station (collectively, being the "New Projects").

In alignment with the growth in revenue and the Group's consistent cost control efforts, the Group's gross profit also recorded approximately HK\$10.7 million, representing a year-on-year growth rate of approximately 62.1%, which is primarily attributable to increase in the New Projects undertaken by the Company during HY2023.

For the six months ended 30 September 2023, the Group recorded net loss of approximately HK\$0.4 million, representing a decrease of HK\$4.3 million or approximately 91.49% as compared to approximately HK\$4.7 million for HY2022. Such decrease of net loss was mainly due to increase in the revenue and gross profit following the continued overall economic recovery in Hong Kong.

As illustrated above, the net assets of the Group slightly decreased by approximately 0.3% from approximately HK\$113.2 million as at 31 March 2023 to approximately HK\$112.8 million as at 30 September 2023. As advised by the Management, decrease in net assets of the Group is primarily due to the combined effect of (i) increase in cash and bank balance of approximately HK\$20.2 million due to increase in operating cash inflow for HY2023; (ii) increase in trade and other payable of approximately HK\$13.8 million due to increase in the number of the Group's undertaken projects; and (iii) decrease in trade and other receivable of approximately HK\$7.0 million arising from increase in operating cash inflow collected from receivables.

(ii) For the year ended 31 March 2023 and 2022

The Group's total revenue decreased by approximately HK\$26.3 million or 11.3% from approximately HK\$232.2 million for FY2022 to approximately HK\$205.9 million for FY2023 which was mainly due to the decrease in the number of large-sized

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

projects undertaken and available in the market, caused by the fierce competition in private sector construction industry during FY2023 as advised by the Management.

The Group's gross profit increased by approximately HK\$2.2 million to approximately HK\$12.1 million for FY2023 from approximately HK\$9.9 million for FY2022. The gross profit margin for FY2023 was approximately 5.9% in comparison to approximately 4.3% for FY2022. The increase in gross profit and gross profit margin was attributable to the improvement in the overall construction costs control under the current fierce industry competition during FY2023. The Management advised that the further relaxation of social distancing measures by the Hong Kong Government in earlier 2023 allowed the Group to optimise its labour cost and streamline material delivery logistics, resulting in enhanced construction cost control management, and the favourable government policy also facilitates smoother execution of the Group's ongoing projects, contributing to an increase in both gross profit and gross profit margin ratio during FY2023.

Loss and total comprehensive expense attributable to equity holders of the Company increased by approximately HK\$14.7 million to approximately HK\$18.7 million for FY2023 from approximately HK\$4.0 million for FY2022. Such increase was primarily due to the increase in administrative and other operating expenses during the FY2023.

As illustrated above, the net assets of the Group decreased by approximately 14.1% from approximately HK\$131.8 million as at 31 March 2022 to approximately HK\$113.2 million as at 31 March 2023. As advised by the Management, decrease in net assets of the Group is primarily due to (i) decrease in the contract assets; and (ii) increase in the borrowing and interest payables.

(iii) For the year ended 31 March 2022 and 2021

During FY2022, the Group's revenue decreased by approximately HK\$46.0 million or 16.5% to approximately HK\$232.2 million (FY2021: approximately HK\$278.2 million). Such decrease was primarily due to (i) the decrease in the number of large-sized projects undertaken; and (ii) the adoption of a more competitive project pricing strategy by the Group in order to secure new projects (notwithstanding a relatively low gross profit margin) during FY2022 in response to the intense market competition.

The Group recorded a gross profit of approximately HK\$9.9 million for FY2022 from a gross loss of approximately HK\$28.1 million for FY2021. The turnaround in gross profit and gross profit margin was attributable to (i) the improvement in the overall construction costs control under the current fierce industry competition during FY2022; and (ii) gross loss recorded from a project undertaken by the Group at Tuen Mun (the "**Tuen Mun Project**") during FY2021 due to unexpected additional costs incurred. The Management explained that these unexpected additional costs primarily

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

consisted of construction costs incurred for the Tuen Mun Project to keep pace of the construction progress and to facilitate the handover to end-buyers, given the Tuen Mun Project had been prolonged and delayed under the COVID-19 pandemic, however, due to the Group's improvement in the overall construction costs control by spending more effort in monitoring of the execution progress of the ongoing projects, the Group recorded a turnaround in gross profit for FY2022 from a gross loss for FY2021.

Loss and total comprehensive expense attributable to equity holders of the Company for FY2022 decreased by approximately HK\$28.5 million to approximately HK\$4.0 million (FY2021: approximately HK\$32.5 million). Such decrease was primarily due to the improvement in cost control during FY2022. The Management advised that the Group periodically monitored execution progress of ongoing projects by comparing the actual cost with the budgeted cost to ensure cost for projects being under control.

As illustrated above, the net assets of the Group decreased by approximately 3.0% from approximately HK\$135.9 million as at 31 March 2021 to approximately HK\$131.8 million as at 31 March 2022. The Management advised that decrease in net assets of the Group was mainly attributable to decrease in cash and bank balance due to the operating cash outflow for FY2022.

2. Background and intention of the Offeror

2.1 Background information of the Offeror and parties acting in concert with it

As set out in the "Letter from Head & Shoulders Securities", the Offeror is an investment holding company incorporated in Hong Kong with limited liability on 27 June 2023. As at the Latest Practicable Date, 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 39, 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

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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). Ms. Huang Hou is solely a Shareholder and will not take up any management role in the Group and the management of the business and operation of the Group will rest with the Board and the senior management of the Group. She is the sole director and sole shareholder of the Offeror.

2.2 Intention of the Offeror in relation to the Group

As set out in the “Letter from Head & Shoulders Securities”, following the close of the Offer, the Offeror intends that the Group will continue the existing principal business of the Group engaging in Fitting-out Services 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 Latest Practicable Date, no investment or business opportunity has been identified nor have the Offeror and the Company entered into any agreement, arrangement, understanding or negotiation in relation to the injection of any assets or business into the Group, or disposal of or downsizing the Group’s existing business.

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” below) as at the Latest Practicable Date.

2.3 Proposed change of the Board composition

As at the Latest Practicable Date, the Board is comprised of six executive Directors, two non-executive Directors and four independent non-executive Directors.

As set out in the “Letter from Head & Shoulders Securities”, 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 (i) Mr. Liang Wenzhi, Mr. Han Dongguang and Mr. Kang Ruipeng as executive Directors; and (ii) Mr. He Jian Yu, Mr. Zhou Di, Ms. Meng Xiaoying and Mr. Cheng Pak Lam as independent non-executive Directors (collectively, the “**Nominated Directors**”). Mr. Kang Ruipeng will also be nominated as one of the authorised representatives of the Company. Based on our discussion with the Management

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and considering (i) the Group is principally engaged in the Fitting-out Services, the business model of which is simple and straight forward and the management of which does not require any intensive knowledge or expertise; (ii) Mr. Ho Chi Hong (“**Mr. Ho**”), an existing executive Director, will not hold other position in the Company other than being retained as a regular employee of the Group, and to undertake the director position of Hoi Sing Decoration Engineering Company Limited (“**Hoi Sing**”), a principal operating subsidiary of the Company, the revenue of which accounts for approximately 92.7% and approximately 97.8% of the Group’s revenue for each of FY2022 and FY2023, and Mr. Ho possesses 25 years of experience in the construction industry; (iii) Mr. Kang Ruipeng (“**Mr. Kang**”) possesses over 5 years of relevant experience in the property construction and development industry; and (iv) the directors to be newly appointed have extensive experience in business management, the directors to be appointed are capable of overseeing and managing the business of the Group with the assistance of Mr. Ho and existing employees under the Fitting-Out Services of the Group, and the proposed change of Board composition will not cause any material adverse impact on the business operation of the Group.

Pursuant to the loan agreement in relation to the loan facilities granted by Ultra Accord Limited (“**Ultra Accord**”) 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 (“**UA Arrangement**”). Ultra Accord intends to nominate Mr. Zhou Danqing (“**Mr. Zhou**”) as a non-executive Director. The appointment of the above new executive Directors, non-executive Director and independent non-executive Directors will take effect after the posting of this Composite Document and further announcement will be made by the Company for the appointment of the new Directors. As referred to the “Letter from Head & Shoulders Securities”, Mr. Zhou, who obtained a bachelor’s degree in business administration from the Chinese University of Hong Kong, has over 13 years of experience in corporate finance and has been a manager of Ultra Accord since 2020. Besides, he is also a Chartered Financial Analyst, a Financial Risk Manager charter-holder, an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom and a member of the Association of Chartered Certified Accountants.

According to the “Letter from Head & Shoulders Securities” and our discussion with the Management, we understood that Mr. Ho, who joined the Group in May 2001 and possesses 25 years of experience in the construction industry, will be retained as a director of Hoi Sing, being a principal operating subsidiary of the Company, with no fixed term of his service with the Group after the change of Board composition.

Furthermore, based on our discussion with the Management regarding the Group’s business model, we noted (i) the Group’s activity and market segment are considered as simple given the Group principally executes its value proposition by providing the

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Fitting-Out Services to property developers, contractors and property owners; (ii) the Group focuses its operation within Hong Kong only; (iii) there is no particular licence is required to be obtained by the Group for the commencement of fitting-out services projects; (iv) the Group strategically outsources labour-intensive works to its internal approved subcontractors in order to optimise the Group's business operation; and (v) adequate project managers will be involved to oversee execution process, we concur with the Company's view that the business model of the Fitting-Out Services of the Group is straight forward, and the management of this industry may not require much intensive knowledge or expertise.

Please refer to the "Letter from Head & Shoulders Securities" for more information.

2.3 Our view

Based on the biographies of Ms. Huang and each Nominated Director as set out in the "Letter from Head & Shoulders Securities", it appears that (i) Ms. Huang does not have similar expertise in the Group's principal business, and she will not take up any management role in the Group; (ii) Mr. Kang has over 5 years' experience in property construction and development industry; and (iii) the remaining Nominated Directors has no immediate experience in managing similar business of the Group.

As the proposed appointment of Mr. Zhou as a non-executive Director until the loan facilities granted by Ultra Accord are fully settled is a commercial decision between the Offeror and Ultra Accord, which would enable Ultra Accord to secure the fulfilment of the Offeror's payment obligation under the loan facility granted by Ultra Accord to the Offeror for the settlement of part of the consideration for the Sale Shares, we consider the proposed appointment of Mr. Zhou to be reasonable.

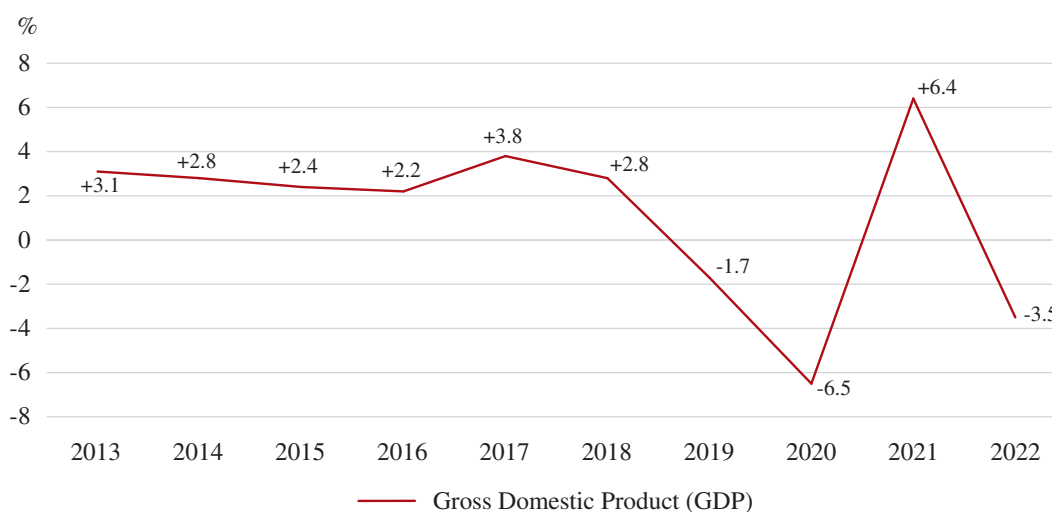
Despite we are not aware whether any long-term business development strategies for the Group have been formulated by the Offeror as at the Latest Practicable Date, after considering that (i) the Offeror intends that the Group will continue the existing principal business of the Group engaging in Fitting-Out Services; and (ii) Mr. Ho, who has 25 years of experience in construction industry and is familiar with the Groups' business operation, will be retained as a director of Hoi Sing, being the principal subsidiary of the Group, to assist the Nominated Directors to oversee and manage the business of the Group after the change of the Board, we believe that the Group would continue to maintain its established reputation and brand awareness in the Fitting-Out Services industry and long-term business relations with customers, work services providers and suppliers as well as customers' and suppliers' confidence in the Group's business operation after the change of the Board.

3. Prospects and outlook of the Group

Based on the above financial information of the Group and our discussion with the Management, it has been revealed that more than 95% of the Group's revenue is derived from the provision of the Fitting-Out Services for residential and commercial properties in private sector sites in Hong Kong. In light of this, we conducted research in relation to Hong Kong's economic environment and the performance of local construction market.

3.1 Overview on macro-economic environment in Hong Kong

Table 2: Percentage change of GDP in Hong Kong: 2013–2022



(Source: official website of the Census and Statistics Department of Hong Kong)

We have discussed with and understand with the Management that the demand for services of the Group is dependent on the amount of construction activities in Hong Kong which can be impacted by various factors, for instance, government policies and the change in GDP growth rate.

The GDP growth rate in Hong Kong indicates the macro environment by measuring the total value of all goods and services produced over a specific period. In general, the Fitting-out Services is part of construction sector, which is served as one of the economic activities that contributes to the GDP as referred to the official website of the Census and Statistics Department of Hong Kong.

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The above graph illustrates the considerable fluctuations in the percentage change of GDP in Hong Kong after 2018. The city has experienced a general trend of positive GDP growth with a range of approximately 2.2% and 3.8% from 2013 to 2018. However, the GDP recorded a notable and continuous decline in 2019 and 2020, reaching the largest drop in a decade of approximately 6.5% recorded in 2020. Nevertheless, there was a recovery in 2021 with the GDP bouncing back to a positive growth rate of roughly 6.4%, followed by a drop of approximately 3.5% in 2022.

According to a Half-Yearly Economic Report 2023 published by the Hong Kong Government in August 2023 (the “**Report**”), led by inbound tourism and private consumption, the Hong Kong economy continued to recover in the second quarter of 2023, though the momentum softened on the back of the strong rebound in the preceding quarter. Real GDP grew by 1.5% year-on-year, having increased by 2.9% in the preceding quarter. On 10 November 2023, the Hong Kong Government announced its estimate on full-year GDP growth for 2023 to 3.2%, which would be similar to the growth rate before 2018, indicating that the Hong Kong economy is gradually returning to normal.

On the other hand, the Hong Kong Government launched the Chief Executive’s 2023 Policy Address in October 2023 (the “**2023 Policy Address**”), outlining its plan to increase the number of public housing units, enhance land supplies and expedite urban renewal projects and so on. We consider these supportive policies would be able to stimulate demand within construction industry in Hong Kong in future, which in turn would increase demand for fitting-out services.

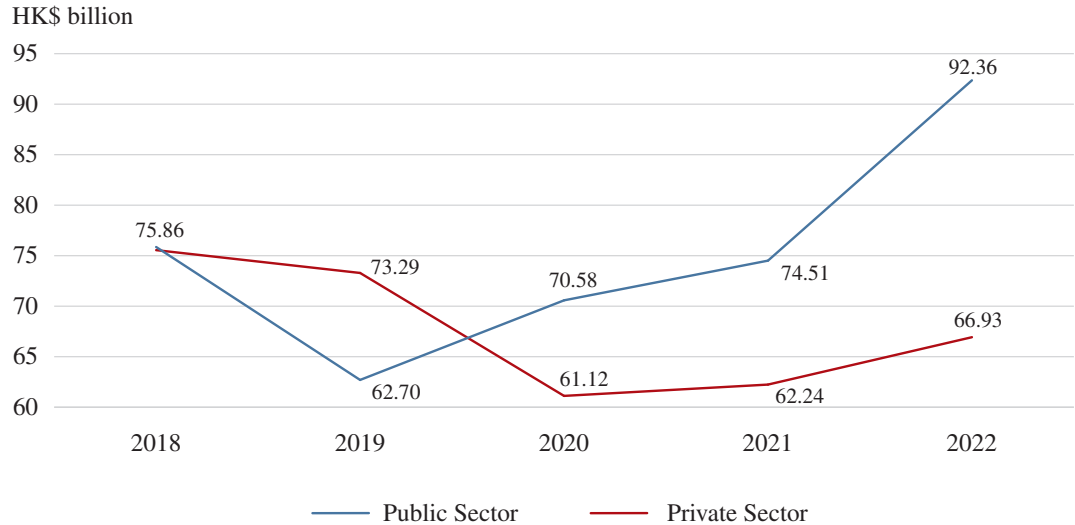
3.2 Overview on construction works in Hong Kong

**Table 3A: Total gross value of construction works performed
by main contractors in Hong Kong: 2018–2022**

	2018	2019	2020	2021	2022
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
	<i>billion</i>	<i>billion</i>	<i>billion</i>	<i>billion</i>	<i>billion</i>
Private sector sites	75.6	73.3	61.1	62.2	66.9
Public sector sites	75.9	62.7	70.6	74.5	92.3
Construction works at locations other than sites	100.7	100.4	98.2	97.0	89.9
Total	252.2	236.4	229.9	233.7	249.1

(Source: official website of the Census and Statistics Department of Hong Kong)

Table 3B: Trend of gross value of construction works performed by main contractors in private and public sector sites: 2018–2022



(Source: official website of the Census and Statistics Department of Hong Kong)

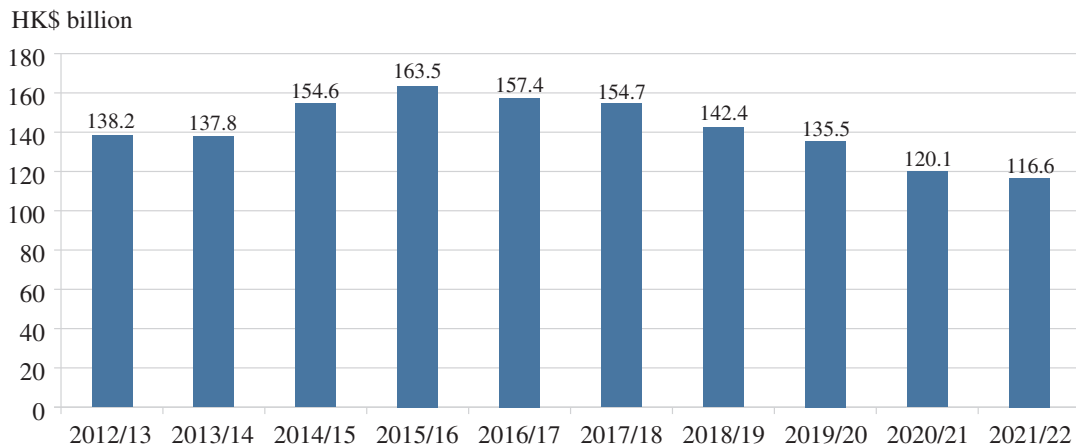
According to the Census and Statistics Department of Hong Kong (<https://www.censtatd.gov.hk>) and as illustrated in Table 3A above, the total gross value of construction works performed by main contractors in Hong Kong fluctuated over the past five years and has declined since 2018. It initially fell from around HK\$252.2 billion in 2018 to a low of approximately HK\$229.9 billion in 2020. There was a modest recovery in the subsequent years. The gross value saw a slight increase of around 1.65%, reaching approximately HK\$233.7 billion in 2021, followed by a further increase of approximately 6.6% to approximately HK\$249.1 billion in 2022.

The gross value of construction works performed by main contractors in Hong Kong constitutes the gross value of construction works in private sector construction sites, public sector construction sites and locations other than sites. According to the Census and Statistics Department of Hong Kong and as illustrated in Table 3B above, we observed a more pronounced recovery trend in the gross value of construction works performed on public sector sites after the outbreak of the COVID-19 pandemic compared to the private sector sites. The gross value of private sector sites dropped by approximately 3.0% in 2019 and approximately 16.6% in 2020 year-on-year, followed by a gradual recover with modest annual increase of approximately 1.8% and 7.5% in 2021 and 2022, respectively. In comparison, the gross value of construction works performed on public sector sites experienced a significant drop of approximately 17.4% in 2019. However, the public sector showed a stronger rebound compared to the private sector with a notable increase of nearly 12.6% in 2020 and 5.6% in 2021, followed by a more significant surge of approximately 24.0% in 2022.

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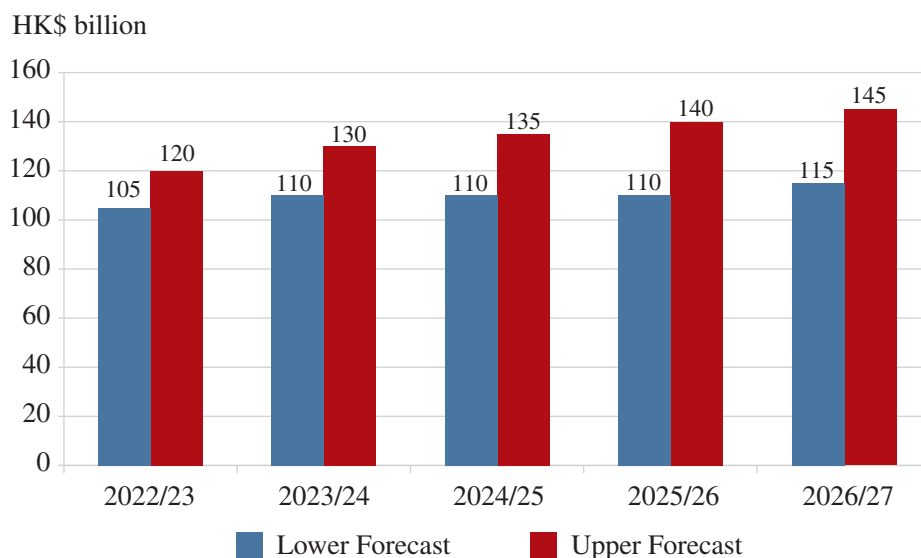
As a results of more inferior performance of private sector sites in recent years, the total gross value of construction works in private and public sector sites amounted to approximately HK\$66.9 billion and approximately HK\$92.4 billion in 2022. As such, we consider that the risk resilience and recovery performance of public sector sites for the post-pandemic period was considerably better than that of private sector sites which serves as the Group’s primary source of revenue.

Table 4A: Historical Construction Expenditure in Private Sector: 2012–2022



(Source: official website of Construction Industry Council)

Table 4B: Mid-term Construction Expenditure Forecast in Private Sector Forecast by Construction Industry Council (“CIC”): 2023–2027



(Source: official website of Construction Industry Council)

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Furthermore, based on the data published in the official website (<https://www.cic.hk/eng/>) of CIC, which were summarised as Table 4A and Table 4B above, we noted total construction expenditure in private sector decreased from year 2015/16 and reached a decade low of approximately HK\$116.6 billion in year 2021/22. Looking forward, the CIC anticipates the total construction expenditure in private sector could return to the pre-pandemic's level in 2025/26 as stipulated in the CIC's upper forecast as shown in Table 4B. As such, the recovery of the private sector in construction industry which serves as the Group's primary source of revenue, to the pre-pandemic's level is expected to take time.

3.3 Our view

Despite longer time may be required for the private sector sites construction industry in which the Group has been principally engaged to fully rebound as compared to public sector sites, after taking into account (i) the Hong Kong economy continues to recover with a projected GDP growth rate for 2023 to be approximately 3.2%, which is close to the level before the COVID-19 pandemic; and (ii) the supportive policies regarding construction industry outlined in the 2023 Policy Address would increase demand for construction services, which in turn would initiate demands for fitting-out services, hence, we consider that the prospects of construction industry and fitting-out industry would be positive in future.

4. Principal terms of the Offer

Head & Shoulders Securities is, for and on behalf of the Offeror, making the Offer to acquire all the Offer Shares in compliance 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, which was arrived at after arm's length negotiations between the Offeror and the Vendor.

The Offer is unconditional in all respects. The Offer is extended to all Shares in issue other than those Shares held by the Offeror and parties acting in concert with it.

As at the Latest Practicable Date, 480,000,000 Shares were in issue and 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.

The Offer Shares to be acquired under the Offer shall be fully paid and free from all encumbrances and together with all rights and benefits attached thereto, including but not limited to the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date on which the Offer is made, that is, the date of despatch of this

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Composite Document. As at the Latest Practicable Date, the Company has not declared any dividend which is outstanding and not yet paid and the Company does not intend to declare, make or pay any dividend or other distributions prior to close of the Offer.

4.1 Analysis on the Offer Price

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

- (i) a discount of 86.01% to the closing price of HK\$3.29 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) 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;
- (iii) 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;
- (iv) 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 (the “**10-day Average Price**”);
- (v) 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 (the “**30-day Average Price**”);
- (vi) a discount of approximately 55.35% to the average closing price of approximately HK\$1.031 per Share as quoted on the Stock Exchange for the last 60 consecutive trading days immediately prior to and including the Last Trading Day (the “**60-day Average Price**”);
- (vii) a premium of approximately 95.29% over the net asset value per Share (the “**NAV 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 Latest Practicable Date; and

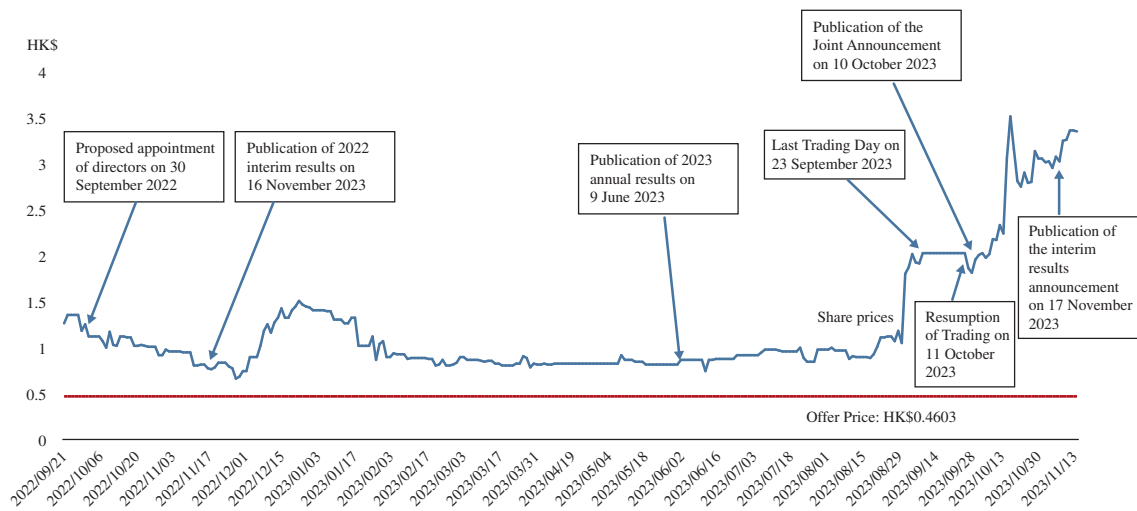
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(viii) a premium of approximately 95.79% over the NAV per Share of approximately HK\$0.2351, calculated based on the Group's unaudited consolidated net asset value attributable to the Shareholders as at 30 September 2023 of approximately HK\$112.8 million, divided by the number of issued Shares as at the Latest Practicable Date.

4.2 Historical performance of the Shares

Set out below is the chart showing the daily closing price of the Shares as quoted on the Stock Exchange during the period commencing from 21 September 2022, being the twelve-month period prior to the Last Trading Day (i.e. 21 September 2023), up to and including the Latest Practicable Date (the "Review Period"):

Table 5: Share prices performance during the Review Period



Source: the website of the Stock Exchange (www.hkex.com.hk)

Note: The trading of the Shares on the Stock Exchange was suspended at 9:00 a.m. on 22 September 2023 pending the release of the Joint Announcement. Trading of the Shares on the Stock Exchange was resumed at 9:00 a.m. on 11 October 2023.

We have reviewed the movements in the closing price of the Shares for the Review Period. We consider that the length of the Review Period to be reasonably long enough to illustrate the relationship between the historical trend of the closing price of the Shares and the Offer Price.

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The Shares have been trading above the Offer Price during the entire Review Period. The lowest and highest closing price of the Shares during the Review Period were HK\$0.65 per Share recorded on 30 November 2022 and HK\$3.45 per Share recorded on 30 October 2023, as quoted on the Stock Exchange. The average daily closing price of the Shares during the Review Period is approximately HK\$1.20 per Share. The Offer Price of HK\$0.4603 per Share represents (i) a discount of approximately 29.2% to the lowest closing price of HK\$0.65 per Share; (ii) a discount of approximately 86.7% to the highest closing price of HK\$3.45 per Share; and (iii) a discount of approximately 61.6% to the average daily closing price of approximately HK\$1.20 per Share during the Review Period.

Pre-Announcement Period

During the period under review from 21 September 2022 to 21 September 2023 (being the Last Trading Day) (the “**Pre-Announcement Period**”), the closing prices of the Shares has fluctuated and experienced an overall upward trend. The lowest and highest closing price of the Shares during the Pre-Announcement Period were HK\$0.65 per Share recorded on 30 November 2022 and HK\$1.99 per Share recorded on 21 September 2023 respectively as quoted on the Stock Exchange. The Offer Price of HK\$0.4603 per Share represents (i) a discount of approximately 29.2% to the lowest closing price of HK\$0.65 per Share; (ii) a discount of approximately 76.9% to the highest closing price of HK\$1.99 per Share; and (iii) a discount of approximately 52.6% to the average daily closing price of approximately HK\$0.97 per Share during the Pre-Announcement Period.

As depicted in the above chart, the Share price saw a decline from at HK\$1.24 on 21 September 2022 to HK\$0.65 on 30 November 2022 before rebounding to HK\$1.48 on 29 December 2022. Subsequently, the Share price followed a general downward trend decreasing from HK\$1.48 on 28 December 2022 to HK\$1.03 on 13 September 2023. However, the sudden surge in Share price occurred on 14 September 2023 taking the Share price to HK\$1.77 and it further climbed to HK\$1.99 on 21 September 2023, which is the highest Share price during the Pre-Announcement Period. We have observed that the Company (i) published an announcement in relation to proposed appointment of directors and non-compliance with R3.10A of the Listing Rules on 30 September 2022; (ii) announced the interim results of the Company for the six months ended 30 September 2022 on 18 November 2022; and (iii) announced the annual results of the Company for the year ended 31 March 2023 on 9 June 2023.

We have made enquired with the Management and were advised that save for the publication of announcements of the Company as described above, the Directors were not aware of any specific reasons which may have an impact of the fluctuations of Share prices during the Pre-Announcement Period.

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Post-Announcement Period

During the period under review from 11 October 2023 up to and including the Latest Practicable Date, (the “**Post-Announcement Period**”), the Offer Price of HK\$0.4603 per Share represents (i) a discount of approximately 74.1% to the lowest closing price of HK\$1.78 per Share; (ii) a discount of approximately 86.7% to the highest closing price of HK\$3.45 per Share during the Post-Announcement Period; and (iii) a discount of approximately 82.8% to the average daily closing price of approximately HK\$2.68 per Share during the Post-Announcement Period. We believe that the aforesaid recent surge in the Share prices was likely linked to the market reaction to the Joint Announcement, which might be a temporary and unsustainable market reaction to the Offer.

Despite the Offer Price represents a premium of approximately 95.29% over the NAV per Share of HK\$0.2357 as at 31 March 2023 and approximately 95.79% over the NAV per Share of HK\$0.2351 as at 30 September 2023, such premium is considered less representative in assessing the fairness and reasonableness of the Offer Price as compared to the day-to-day market value of the Shares given that the Company’s share price has been trading at a premium over its respective audited NAV per Share during the entire Review Period, reflecting that investors might not have valued the Shares based solely on the underlying value of the Group’s assets. Instead, the investors might take into account other factors in valuing the Shares, including but not limited to historical price performances, macroeconomic environment, industry trend and peers’ performance. Based on the fact that the Shares have been trading above the Offer Price during the entire Review Period, we are of the view that the Offer Price is unattractive and therefore not fair and not reasonable.

Independent Shareholders should note that the information set out above is not an indicator of the future performance of the Shares and that the price of the Shares may increase or decrease from its closing price after the Latest Practicable Date.

4.3 Historical trading volume of the Shares

The following table sets out the historical monthly trading volumes of the Shares and the percentage of the number of Shares traded as compared to the total number of Shares in issue during the Review Period.

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Table 6: Trading volume of the Shares during the Review Period

Month/Period	Total trading volume for month/period <i>(number of Shares)</i>	Number of trading days during the month <i>(days)</i>	Average daily trading volume for month/period <i>(number of Shares)</i>	Percentage of average daily trading volume to total number of the Shares in issue as at the respective month or period <i>(note 3)</i>	Percentage of average daily trading volume to total number of the Shares held by public Shareholders as at the respective month or period <i>(note 4)</i>
2022 (note 1)					
21–30 September	52,000	8	6,500	0.0014%	0.0054%
October	380,000	20	19,000	0.0040%	0.0158%
November	1,312,000	22	59,636	0.0124%	0.0497%
December	1,068,000	20	53,400	0.0111%	0.0445%
2023					
January	252,000	18	14,000	0.0029%	0.0117%
February	2,874,000	20	143,700	0.0299%	0.1198%
March	272,000	23	11,826	0.0025%	0.0099%
May	280,000	17	16,471	0.0034%	0.0137%
June	42,000	21	2,000	0.0004%	0.0017%
July	312,000	21	14,857	0.0031%	0.0124%
August	288,000	20	14,400	0.0030%	0.0120%
1 September– Last Trading Day (i.e. 21 September)	4,981,700	13	383,208	0.0798%	0.3193%
11 October–31 October	12,567,000	14	898,286	0.1871%	0.7486%
1 November– 24 November	5,234,000	18	290,778	0.0606%	0.2423%
			Maximum	0.1871%	0.7486%
			Minimum	0.0004%	0.0017%
			Average	0.0274%	0.1096%

Source: www.hkex.com.hk

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Notes:

1. The Review Period commenced on 21 September 2022.
2. The trading of the Shares on the Stock Exchange was suspended at 9:00 a.m. on 22 September 2023 pending the release of the Joint Announcement. Trading of the Shares on the Stock Exchange was resumed at 9:00 a.m. on 11 October 2023.
3. Based on the number of Shares in issue as at the respective month or period, where applicable, as disclosed in the monthly returns of the Company.
4. Based on the number of Shares held by public Shareholders as at the respective month or period, where applicable, as disclosed in the monthly returns of the Company.

As illustrated above, the average daily trading volume of the Shares as a percentage of the total number of the Shares in issue as at the Latest Practicable Date ranged from the lowest of approximately 0.0004% in May 2023 to the highest of approximately 0.1871% recorded in October 2023, with an average daily trading volume throughout the whole Review Period of approximately 0.0274% of the total number of issued Shares as at the Latest Practicable Date. If only Shares held by public Shareholders (the “**Free Float Shares**”) are considered in calculating the percentage of average daily trading volume of the Shares as at the respective month/period under the Review Period, the average trading volume of the Free Float Shares during the Review Period ranged from the lowest of approximately 0.0017% in May 2023 to the highest of approximately 0.7486% recorded in October 2023, with an average daily trading volume throughout the whole Review Period of approximately 0.1096% of the total number of Free Float Shares as at the Latest Practicable Date. Therefore, the trading volume of the Shares was generally thin in the Review Period and illiquid in the open market.

During the Pre-Announcement Period, we noted that the average daily trading volume of the Shares in early to mid-September 2023 was relatively high as compared to that of the rest of the other months during the Pre-Announcement Period. We have discussed with the Management regarding the relatively high trading volume of the Shares comparing to that of the rest of the other months during the Pre-Announcement Period and were confirmed that the Company is not aware of any particular reason that led to the higher trading volume of the Shares. Save for the particularly high daily trading volume of the Shares in September 2023 as mentioned above, the average daily trading volume of the Shares was fairly thin during the Pre-Announcement Period.

Notwithstanding the increase in trading volume in the Post-Announcement Period, taking into account the fact that the daily trading volume of the Shares during the Post-Announcement Period was approximately 0.1160% of the total issued Shares as at the Latest Practicable Date and approximately 0.4638% of the Free Float Shares as at the Latest Practicable Date, we are of the view that the trading volume of Shares can be considered generally low, and in normal circumstances, if the Independent Shareholders are to dispose of a large number of Shares in the market, it may exert downward pressure on the market price of Shares.

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Given the overall thin historical trading volume of the Shares during the entire Review Period, the Independent Shareholders (especially those with relatively sizeable shareholdings) may find it difficult to dispose of a large volume of Shares in the open market at a fixed cash price within a short period of time without exerting downward pressure on the Shares price. The Independent Shareholders are also advised to consider to sell their Shares in the open market instead of accepting the Offer given the closing prices of the Shares had been staying well above the Offer Price during the entire Review Period, after taking into account the possible pressure on the Share price when selling in bulk, if net proceeds from such sale of Shares would exceed the net amount receivable under the Offer. Independent Shareholders should also be aware that they may have to sell their Shares in the market by batches if they do not accept the Offer, given the average daily trading volume of the Shares in the preceding year from September 2022 ranged from approximately 2,000 Shares to approximately 898,286 Shares as shown in the table above.

4.4 Comparable Analysis

In order to further assess the fairness and reasonableness of the Offer Price, we have considered the price-to-book ratio (the “**P/B Ratio**”), the price-to-sales ratio (the “**P/S Ratio**”), the price-to-earnings ratio (the “**P/E Ratio**”) and dividend yield which are commonly adopted trading multiple analyses in assessing the financial valuation of a company as the data for calculating the ratios can be obtained fairly and directly from publicly available information and reflect the value of the companies determined by the open market. Given that the Group was loss-making for the last three consecutive financial years, and no dividend was distributed for the last financial year, the P/E Ratio analysis and dividend yield analysis are not applicable.

As understood from the IPO prospectus of the Company dated 13 December 2018, we recognised that construction sector encompassing fitting-out services is inherently characterised by a high operating expense. Substantial capital is required for project initiation and its operating management. Consequently, we believe the P/S Ratio is not an appropriate valuation benchmark in assessing the fairness and reasonableness of the Offer Price as it ignores the cost structure of a company.

As the Group is principally engaged in provision of the Fitting-Out Services and it had plenty of contract assets and trade and other receivables on the book which accounted for approximately 88.7% of its total asset value and approximately 153.0% of its net asset value as at 31 March 2023, respectively. As advised by the Management, contract assets in the financial statements of the Company arises when the Company has completed a provision of service but has not received the underlying service fee until the relevant work has been certified by a relevant qualified expert. As such, contract assets are in essence delayed cash inflows to the Company which is similar to receivables. It is understood that the assets of companies that are principally engaged in provision of fitting-out works and interior renovation works, i.e. the Company and the Comparable Companies, largely consist of clients’ payment obligations such as contract assets and/or receivables as described above, which represents an indicator of the financial status and a basic evaluation of a

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construction company as contract assets and/or receivables can be seen as the anticipated cash inflow of such company. On the other hand, as confirmed by the Management, the direct labour cost of the Group accounts for an insignificant portion of total cost of the Group for FY2023, in light of the aforesaid, we consider the Company is not a labour-intensive company and therefore the P/B Ratio analysis is the most suitable valuation method for our analysis.

Based on the Offer Price of HK\$0.4603 per Offer Share and the total number of issued Shares of 480,000,000 as at the Latest Practicable Date, the Company is valued at approximately HK\$220.9 million. The P/B Ratio of the Company implied by the Offer Price is approximately 1.95 times (the “**Implied P/B Ratio**”) based on the audited consolidated net asset value of the Company of approximately HK\$113.2 million as at 31 March 2023.

We have attempted to identify the comparable companies (the “**Comparable Companies**”) which are (i) listed on the Main Board of the Stock Exchange, (ii) principally engaged in the provision of fitting-out works and interior renovation works that involve upgrades, makeovers and demolition etc., with over 75% of total revenue for latest full financial year being generated from the aforesaid businesses in Hong Kong; (iii) with market capitalisation of not more than HK\$500 million as at the Latest Practicable Date; and (iv) with the percentage of the aggregate amount of contract assets and receivables comparing to total assets of not less than 50% as referred to its latest published interim/annual report. Based on the above selection criteria, we have identified three Comparable Companies which are exhaustive based on our research on the website of the Stock Exchange and financial analytical software Factset.

We also note that P/B Ratio of Dimmi Life Holdings Limited (stock code: 1667, “**Dimmi Life**”) calculated on the market capitalization as at the Latest Practicable Date and its latest net asset value was approximately 18.72 times, which is substantially higher than the range of P/B Ratio of other Comparable Companies, and with a view to ensure the Comparable Companies reflect the general market conditions, Dimmi Life is considered as an outlier and was excluded from our analysis. The two Comparable Companies (the “**Selected Comparable Companies**”) are included in our analysis.

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The following table set out the details of the Comparable Companies:

Table 7: Details of the Comparable Companies

No.	Company name (Stock code)	Principal activities	Market capitalisation as at the Latest Practicable		P/B Ratio <i>(times)</i> <i>(Note 2)</i>
			Date <i>(Note 1)</i>	Net asset value <i>(HK\$' million)</i> <i>(Note 2)</i>	
1.	Dimmi Life Holdings Limited (1667.HK)	Principally engaged in (a) construction and engineering service (including (i) building construction services; (ii) alteration, addition, fitting-out works and building services; and (iii) repair and restoration of historic buildings in Hong Kong; (b) property development and investment; and (c) development, marketing and sale of lifestyle products in the PRC	192.0	10.3	18.72 <i>(Note 4)</i>
2.	FDB Holdings Limited (1826.HK)	Provision of contracting services for, among others, alteration and addition works and maintenance works	99.9	48.9	2.04
3.	Superland Group Holdings Limited (368.HK)	Provision of fitting-out services as well as repair and maintenance services to residential and commercial properties	288.0	834.0	0.35
				Minimum <i>(Note 4)</i>	0.35
				Maximum <i>(Note 4)</i>	2.04
				Average <i>(Note 4)</i>	1.19
	The Company		220.9 <i>(Note 3)</i>	113.2	1.95

Sources: the website of the Stock Exchange (www.hkex.com.hk) and the financial reports of the respective Comparable Companies

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Notes:

1. The market capitalisation of the Comparable Companies was calculated based on the closing share prices and the total issued shares of the Comparable Companies as at the Latest Practicable Date.
2. The P/B Ratio was based on the then market capitalisation of the Comparable Companies as at the Latest Practicable Date, divided by the net asset value of the Comparable Companies as stated in their respective latest available annual report or interim report.
3. The market capitalisation of the Company is calculated based on the Offer Price of HK\$0.4603 and the number of issued Shares as at the Latest Practicable Date (i.e. 480,000,000 Shares).
4. Given the P/B Ratio of Dimmi Life is substantially higher than the range of P/B Ratio of other Comparable Companies and with a view to ensure the Comparable Companies reflect the general market conditions, Dimmi Life is considered as an outlier and was excluded from our analysis.

As set out in above table, the P/B Ratios of the Selected Comparable Companies ranged from approximately 0.35 times to approximately 2.04 times with an average of approximately 1.19 times. The Implied P/B Ratio of approximately 1.95 times is within the range but higher than the average of the P/B Ratios of the Selected Comparable Companies.

5. Public float and maintaining listing status of the Company

As stated in the “Letter from Head & Shoulders Securities” contained in this Composite Document, the Stock Exchange has stated that if, at 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 at all times, 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, the Stock Exchange will consider exercising its discretion to suspend dealings in the Shares. Therefore, upon the 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.

The Offeror intends the Company to remain listed on the Stock Exchange after the close of the Offer. The Offeror and the new Directors to be appointed by the Offeror to the Board will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares, i.e. at least 25% of the entire issued share capital of the Company will be held by the public at all times following the close of the Offer.

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RECOMMENDATION

Notwithstanding that the Offer Price represents a higher P/B Ratio as compared with the average of the Selected Comparable Companies, having considered below factors and reasons:

- (a) the Offer Price is unattractive, given (i) the closing prices of the Shares has been trading above the Offer Price during the entire Review Period; (ii) and the Offer Price represents discount to the average closing price during each of the Pre-Announcement Period and the entire Review Period, the 10-day Average Price, the 30-day Average Price and the 60-day Average Price, respectively; and (iii) the Offer Price represents a discount of approximately 86.01% to the closing price of the Shares of HK\$3.29 as at the Latest Practicable Date;
- (b) despite the Offer Price represents a premium of approximately 95.29% and approximately 95.79% over the NAV per Share as at 31 March 2023 and 30 September 2023, respectively, we believe that the premium of the Offer Price over the NAV per Share is less representative in assessing the fairness and reasonableness of the Offer Price as compared to the day-to-day market value of the Shares given that the Company's share price has been trading at a premium over its audited NAV per Share for the entire Review Period, reflecting that investors might not have valued the Shares based solely on the underlying value of the Group's assets but considering various factors including but not limited to historical price performances, macroeconomic environment, industry trend and peers' performance;
- (c) the Group's revenue has been decreasing and the Group recorded net loss for the past three financial years, yet its latest financial performance has been substantially improved for HY2023 with an 124.0% increase in revenue and a 91.49% decrease in net loss for HY2023 due to the consistent cost control efforts and economic recovery in Hong Kong after the COVID-19 pandemic. On the other hand, with the Group's consistent cost control efforts, overall operating performance of the Group has also improved making the Group to record increasing gross profit for HY2023, FY2023 and FY2022 as compared to a gross loss for FY2021. As mentioned in the 2023 Interim Announcement, the Group believes that it is well-placed to thrive in Hong Kong's evolving economic landscape;
- (d) although majority of the Nominated Directors has no immediate experience in managing similar business of the Group, after considering (i) the Offeror intends that the Group will continue the existing principal business of the Group engaging in Fitting-Out Services; and (ii) Mr. Ho, who has years of experience in the construction industry and is familiar with the Group's operation, will be retained as a director of Hoi Sing, a principal operating subsidiary of the Group, to assist the Nominated Directors to oversee and manage the business of the Group, the Group would be able to continue maintaining its established reputation and brand awareness in the

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Fitting-Out Services industry and long-term business relations with customers, work services providers and suppliers as well as customers' and suppliers' confidence in the Group's business operation; and

- (e) despite time is required for the private sector sites construction industry in which the Group have been principally engaged, to fully rebound, after taking into account gradual recovery in local economy and the recent supportive government policies which in turn would increase demand for fitting out services, the prospects of construction industry and fitting-out industry would be positive in future;

we consider that the Offer is not fair and not reasonable. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders not to accept the Offer.

Nevertheless, the Independent Shareholders should also note that (i) there is no guarantee that the Share price will sustain at a level above the Offer Price and/or after the Offer Period; and (ii) the Independent Shareholders (regardless to their amount of shareholdings) may not be able to realise their investments in the Shares at a price higher than the Offer Price when they are going to dispose of their partial or entire holdings. In such circumstance, the Offer might provide an exit alternative for the Independent Shareholders who would like to realise their investments in the Shares at the Offer Price of HK\$0.4603. However, for those Independent Shareholders who intend to accept the Offer, we would remind them to closely monitor the market price and liquidity of the Shares during the Offer Period, and having regard to their own circumstances, consider selling the Shares in the open market, instead of accepting the Offer, if the net proceeds from such sale of Shares would be higher than that receivable under the Offer. For those Independent Shareholders who intend to dispose of large blocks of Shares in the open market, we would also remind them of the possible difficulty in disposing of their Shares in the open market without creating downward pressure on the market prices of the Shares as a result of the thin trading in the Shares.

Those Independent Shareholders who decide to retain part or all of their investments in the Shares should carefully monitor the financial performance of the Group and be aware of the potential difficulties they may encounter in disposing of their investments in the Shares at a price higher than the Offer Price after the Offer Period given the generally low trading volume during the Review Period.

Yours Faithfully,
For and on behalf of
Merdeka Corporate Finance Limited
Wallace So
Managing Director

Mr. Wallace So is a Responsible Officer under the SFO to engage in Type 6 (advising on corporate finance) regulated activity and has over 10 years of experience in corporate finance.

1. GENERAL PROCEDURES FOR ACCEPTANCE OF THE OFFER

To accept the Offer, you should complete and sign the accompanying Form of Acceptance in accordance with the instructions printed thereon, which instructions form part of the terms of the Offer.

- (i) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in your name, and you wish to accept the Offer, you must send the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of the Shares for which you intend to accept the Offer, by post or by hand, to the Registrar, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong in an envelope marketed “**Yield Go Holdings Ltd. – Offer**” as soon as possible but in any event no later than 4:00 pm on the Closing Date or such later time and/or date as the Offeror may determine and the Offeror and the Company may jointly announce with the consent of the Executive in accordance with the Takeovers Code.
- (ii) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Offer in respect of your Shares, you must either:
 - (a) lodge your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of the Shares for which you intend to accept the Offer with the nominee company, or other nominee, with instructions authorising it to accept the Offer on your behalf and requesting it to deliver in an envelope marked “**Yield Go Holdings Ltd. – Offer**” the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of the Shares for which you intend to accept the Offer to the Registrar; or
 - (b) arrange for the Shares to be registered in your name by the Company through the Registrar, and deliver in an envelope marked “**Yield Go Holdings Ltd. – Offer**” the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of the Shares for which you intend to accept the Offer to the Registrar; or

- (c) if your Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees Limited to accept the Offer on your behalf in respect of the number of the Shares for which you intend to accept the Offer on or before the deadline set by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or
- (d) if your Shares have been lodged with your investor participant's account maintained with CCASS, authorise your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set by HKSCC Nominees Limited.
- (iii) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are not readily available and/or is/are lost and you wish to accept the Offer in respect of your Shares, the Form of Acceptance should nevertheless be duly completed, signed and delivered in an envelope marked "**Yield Go Holdings Ltd. – Offer**" to the Registrar together with a letter stating that you have lost one or more of your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares or that it is/they are not readily available. If you find such document(s) or if it/they become(s) available, the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares should be forwarded to the Registrar as soon as possible thereafter. If you have lost the share certificate(s), you should also write to the Registrar for a letter of indemnity which, when completed and signed in accordance with the instructions given, should be provided to the Registrar.
- (iv) If you have lodged transfer of any of your Shares for registration in your name and have not yet received your share certificate(s), and you wish to accept the Offer in respect of your Shares, you should nevertheless complete and sign the Form of Acceptance and deliver it in an envelope marked "**Yield Go Holdings Ltd. – Offer**" to the Registrar together with the transfer receipt(s) duly signed by yourself. Such action will be deemed to be an irrevocable authority to the Offeror and/or Head & Shoulders Securities and/or their respective agent(s) to collect from the Company or the Registrar on your behalf the relevant share certificate(s) when issued and to deliver such share certificate(s) to the Registrar on your behalf and to authorise and

instruct the Registrar to hold such share certificate(s), subject to the terms and conditions of the Offer, as if it was/they were delivered to the Registrar with the Form of Acceptance.

- (v) Acceptance of the Offer will be treated as valid only if the duly completed and signed Form of Acceptance is received by the Registrar no later than 4:00 p.m. on the Closing Date (or such later time and/or date as the Offeror may determine and announce with the consent of the Executive in accordance to the Takeovers Code) and the Registrar has recorded that the acceptance and the relevant documents as required under this paragraph have been so received, and is:
 - (a) accompanied by the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of Shares for which you intend to accept the Offer and, if that/those share certificate(s) is/are not in your name, such other document(s) in order to establish your right to become the registered holder of the relevant Shares; or
 - (b) from a registered Independent Shareholder or his/her personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Shares which are not taken into account under another sub-paragraph of this paragraph (v)); or
 - (c) certified by the Registrar or the Stock Exchange.
- (vi) If the Form of Acceptance is executed by a person other than the registered Independent Shareholder, appropriate documentary evidence of authority to the satisfaction of the Registrar must be produced.
- (vii) Seller's ad valorem stamp duty at a rate of 0.1% of the market value of the Shares or consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, will be deducted from the amount payable to the relevant Shareholders on acceptance of the Offer. The Offeror will arrange for payment of the sellers' ad valorem stamp duty on behalf of the accepting Shareholders and pay the buyer's ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).
- (viii) No acknowledgement of receipt of any Form of Acceptance and/or share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

2. ACCEPTANCE PERIOD AND REVISIONS

- (i) Unless the Offer has previously been revised or extended, with the consent of the Executive, in accordance with the Takeovers Code, the Form of Acceptance must be received by 4:00 p.m. on the Closing Date in accordance with the instructions printed on the relevant Form of Acceptance, and the Offer will be closed on the Closing Date.
- (ii) The Offeror and the Company will jointly issue an announcement in accordance with the Takeovers Code through the websites of the Stock Exchange and the Company by no later than 7:00 p.m. on the Closing Date stating whether the Offer has been extended or revised.
- (iii) In the event that the Offeror decides to extend the Offer, the Offeror will issue an announcement in relation to any extension of the Offer, which announcement will state either the next closing date or, a statement that the Offer will remain open until further notice. In the latter case, at least 14 days' notice by way of announcement will be given, before the Offer is closed, to those Independent Shareholders who have not accepted the Offer.
- (iv) If the Offeror revises the terms of the Offer, all Independent Shareholders, whether or not they have already accepted the Offer will be entitled to the revised terms. The revised Offer must be kept open for at least 14 days following the date on which the revised offer document is posted.
- (v) If the Closing Date of the Offer is extended, any reference in this Composite Document and in the Form of Acceptance to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the Closing Date of the Offer so extended.

3. ANNOUNCEMENTS

- (i) As required under Rule 19 of the Takeovers Code, by 6:00 p.m. on the Closing Date (or such later time and/or date as the Executive may in exceptional circumstances permit), the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the revision, extension or expiry of the Offer. The Offeror must publish an announcement in accordance with the requirements of the Listing Rules by 7:00 p.m. on the Closing Date stating whether the Offer has been extended or revised. Such announcement must state the following:
 - (a) the total number of Shares and rights over Shares for which acceptances of the Offer have been received;
 - (b) the total number of Shares and rights over Shares held, controlled or directed by the Offeror and the parties acting in concert with it before the Offer Period;

- (c) the total number of Shares and rights over Shares acquired or agreed to be acquired by the Offeror and parties acting in concert with it during the Offer Period;
 - (d) details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror and parties acting in concert with it have borrowed or lent, save for any borrowed Shares which have been either on-lent or sold; and
 - (e) the percentages of the relevant classes of issued share capital of the Company, and the percentages of voting rights, represented by these numbers.
- (ii) In computing the total number of Shares represented by acceptances, only valid acceptances that are complete and in good order, and which have been received by the Registrar by no later than 4:00 p.m. on the Closing Date, being the latest time and date for acceptance of the Offer, shall be included.
- (iii) As required under the Takeovers Code, all announcements in respect of the Offer must be made in accordance with the requirements of the Takeovers Code and the Listing Rules.
- (iv) As required under the Takeovers Code and the Listing Rules, any announcement in relation to the Offer, in respect of which the Executive and the Stock Exchange have confirmed that they have no further comments, will be published on the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (www.yield-go.com).

4. RIGHT OF WITHDRAWAL

Acceptance of the Offer tendered by the Independent Shareholders shall be irrevocable and cannot be withdrawn, except in the circumstances set out below:

If the Offeror is unable to comply with the requirements set out in paragraph 3 of this Appendix I headed “Announcements” above, the Executive may require pursuant to Rule 19.2 of the Takeovers Code that the Independent Shareholders who have tendered acceptances of the Offer, be granted a right of withdrawal on terms that are acceptable to the Executive until the requirements of Rule 19 of the Takeovers Code are met.

In such case, when the Independent Shareholders withdraw their acceptance(s), the Offeror shall, as soon as possible but in any event no later than 7 Business Days thereof, return by ordinary post the Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) lodged with the Form(s) of Acceptance to the relevant Independent Shareholder(s).

5. SETTLEMENT OF THE OFFER

Provided that the accompanying Form of Acceptance for the Shares, together with the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are valid, complete and in good order and have been received by the Registrar no later than 4:00 p.m. on the Closing Date, a cheque for the amount due to each of the accepting Independent Shareholders in respect of the Shares tendered under the Offer (less seller's ad valorem stamp duty payable by him/her/it) will be despatched to the accepting Independent Shareholders by ordinary post at his/her/its own risk as soon as possible but in any event within seven (7) business days (as defined in the Takeovers Code) after the date of receipt of all relevant documents to render such acceptance complete and valid by the Registrar in accordance with the Takeovers Code.

Settlement of the consideration to which any accepting Independent Shareholder is entitled under the Offer will be paid by the Offeror in full in accordance with the terms of the Offer (save with respect of the payment of seller's ad valorem stamp duty) set out in this Composite Document (including this Appendix I) and the accompanying Form of Acceptance, without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Independent Shareholder.

6. OVERSEAS SHAREHOLDERS

As the Offer to persons not being resident in Hong Kong may be affected by the laws of the relevant jurisdiction in which they are resident, Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek professional advice in respect of the Offer. It is the sole responsibility of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental, exchange control or other consent which may be required, the compliance with other necessary formalities and the payment of any transfer or other taxes due from such Overseas Shareholders in respect of such jurisdictions).

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

7. TAXATION ADVICE

The Independent 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, the Vendor, Rainbow Capital, Head & Shoulders Securities, Merdeka Corporate Finance, the Registrar and their respective ultimate beneficial owners, directors, 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.

8. GENERAL

- (i) All communications, notices, Form of Acceptance, certificates, transfer receipts and other documents of title and/or of indemnity and/or of any other nature to be delivered by or sent to or from the Independent Shareholders will be delivered by or sent to or from them, or their designated agents, by ordinary post at their own risk, and none of the Offeror, parties acting in concert with the Offeror, the Company, the Vendor, Rainbow Capital, Head & Shoulders Securities, Merdeka Corporate Finance, the Registrar and their respective ultimate beneficial owners, directors, advisers, agents or associates or any other person involved in the Offer accepts any liability for any loss or any other liabilities whatsoever which may arise as a result thereof.
- (ii) Acceptance of the Offer by any person or persons will be deemed to constitute a warranty by such person or persons to the Offeror and Head & Shoulders Securities that the Shares tendered under the Offer are sold or tendered by such Independent Shareholder(s) free from all encumbrances and together with all rights and benefits attached thereto, including all rights to any dividends or other distribution declared, made or paid on or after the date on which the Offer is made.
- (iii) Acceptance of the Offer by any nominee will be deemed to constitute a warranty by such nominee to the Offeror that the number of Shares in respect of which it is indicated in the Form of Acceptance is the aggregate number of Shares held by such nominee for such beneficial owners who accept the Offer.
- (iv) The provisions set out in the accompanying Form of Acceptance form part of the terms of the Offer.
- (v) The accidental omission to despatch this Composite Document and/or the accompanying Form of Acceptance or either of them to any person to whom the Offer is made shall not invalidate the Offer in any way.
- (vi) The Offer and all acceptances will be governed by and construed in accordance with the laws of Hong Kong.

- (vii) Due execution of the Form of Acceptance will constitute an irrevocable authority to the Offeror and/or Head & Shoulders Securities and/or such person or persons as any of them may direct to complete and execute on behalf of the person(s) accepting the Offer, and to do any other act(s) that may be necessary or expedient for the purpose of vesting in the Offeror, or such person or persons as it may direct the Shares in respect of which such person has accepted the Offer.
- (viii) The Offer is made in accordance with the Takeovers Code.
- (ix) References to the Offer in this Composite Document and in the Form of the Acceptance shall include any extension and/or revision thereof.
- (x) The English texts of this Composite Document and the accompanying Form of Acceptance shall prevail over their respective Chinese texts, in case of any inconsistency.
- (xi) In making their decision, the Independent Shareholders must rely on their own examination of the Offeror, the Group and the Offer, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained herein together with the Form of Acceptance, shall not be construed as any legal or business advice on the part of the Offeror, the Company, Rainbow Capital, Head & Shoulders Securities, Merdeka Corporate Finance, the Registrar and their respective ultimate beneficial owners, directors, advisers, agents or associates or any other person involved in the Offer. The Independent Shareholders should consult their own professional advisers for professional advice.

9. NOMINEE REGISTRATION

To ensure equality of treatment of all Independent Shareholders, those registered Independent Shareholders who hold the Shares as nominee on behalf of more than one beneficial owner should, as far as practicable, treat the holding of such beneficial owner separately. It is essential for the beneficial owners of the Shares whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Offer.

1. SUMMARY OF THE FINANCIAL INFORMATION OF THE GROUP

Set out below is a summary of the audited financial information of the Group for each of the three financial years ended 31 March 2021, 2022 and 2023 and the six months ended 30 September 2022 and 2023 as extracted from the relevant annual reports and interim results announcement of the Company:

	For the year ended 31 March			For the six months ended 30 September	
	2023	2022	2021	2023	2022
	HK\$'000 (Audited)	HK\$'000 (Audited)	HK\$'000 (Audited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Revenue	205,872	232,203	278,182	218,039	97,288
Direct costs	(193,750)	(222,313)	(306,323)	(207,354)	(90,645)
Gross profit/(loss)	12,122	9,890	(28,141)	10,685	6,643
Other gains	1	148	11,627	1	–
Administrative and other operating expenses	(24,882)	(12,635)	(14,147)	(8,111)	(8,673)
(Provision)/Reversal for expected credit losses allowance on trade and other receivables and contract assets, net	(396)	3	(190)	–	–
Finance costs	(5,508)	(1,432)	(1,703)	(2,925)	(2,623)
Loss before income tax	(18,663)	(4,026)	(32,554)	(350)	(4,653)
Income tax expense	–	6	39	–	–
Loss and total comprehensive expense for the year/period attributable to equity holders of the Company	(18,663)	(4,020)	(32,515)	(350)	(4,653)
Loss per share attributable to equity holders of the Company					
Basic and diluted (HKD cents per share)	(3.89)	(0.84)	(6.77)	(0.07)	(0.97)

Assets and liabilities

	As at 31 March			As at 30
	2023	2022	2021	September
	HK\$'000	HK\$'000	HK\$'000	2023
	(Audited)	(Audited)	(Audited)	(Unaudited)
NON-CURRENT ASSETS	1,962	1,298	2,339	1,391
CURRENT ASSETS	193,268	206,548	208,210	207,705
NON-CURRENT				
LIABILITIES	(53,947)	(44)	(842)	(392)
CURRENT LIABILITIES	(28,101)	(75,957)	(73,842)	(95,872)
TOTAL EQUITY	113,182	131,845	135,865	112,832

No dividend was paid or proposed by the Company during each of the three years ended 31 March 2021, 2022 and 2023 and the six months ended 30 September 2023.

The consolidated financial statements of the Group for each of the three years ended 31 March 2021, 2022 and 2023 were audited by Grant Thornton Hong Kong Limited. The consolidated financial statements of the Group for the years ended 31 March 2021, 2022 and 2023 did not contain any qualified or modified opinion, nor any emphasis of matter or material uncertainty related to going concern. Save as disclosed above, there were no items of any income or expense which are material in respect of the consolidated financial results of the Company for each of the three years ended 31 March 2021, 2022 and 2023 and the six months ended 30 September 2023.

2. CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP

The Company is required to set out or refer to in this Composite Document the consolidated statements of profit or loss, the consolidated statement of financial position, consolidated statement of cash flows and any other primary statement as shown in the last published audited accounts, significant accounting policies, together with the notes to the relevant published accounts which are of major relevance to the appreciation of the above financial information.

The unaudited consolidated financial statements of the Group for the six months ended 30 September 2023 (the “**2023 Interim Financial Statements**”) have been set out from page 2 to page 11 in the interim results announcement of the Company for the six months ended 30 September 2023 (the “**2023 Interim Results Announcement**”), which was published on 17 November 2023 on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.yield-go.com>), and is accessible via the following hyperlink:

<<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/1117/2023111700701.pdf>>

The audited consolidated financial statements of the Group for the year ended 31 March 2023 (the “**2023 Financial Statements**”) have been set out from page 59 to page 107 in the annual report of the Company for the year ended 31 March 2023 (the “**2023 Annual Report**”), which was published on 21 July 2023 on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.yield-go.com>), and is accessible via the following hyperlink:

<<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0721/2023072100499.pdf>>

The audited consolidated financial statements of the Group for the year ended 31 March 2022 (the “**2022 Financial Statements**”) have been set out from page 54 to page 101 in the annual report of the Company for the year ended 31 March 2022 (the “**2022 Annual Report**”), which was published on 26 July 2022 on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.yield-go.com>), and is accessible via the following hyperlink:

<<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0726/2022072600537.pdf>>

The audited consolidated financial statements of the Group for the year ended 31 March 2021 (the “**2021 Financial Statements**”) have been set out from page 54 to page 103 in the annual report of the Company for the year ended 31 March 2021 (the “**2021 Annual Report**”), which was published on 28 July 2021 on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.yield-go.com>), and is accessible via the following hyperlink:

<<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0728/2021072800736.pdf>>

The 2023 Interim Financial Statements, 2023 Financial Statements, the 2022 Financial Statements and the 2021 Financial Statements (but not any other parts of the 2023 Interim Results Announcement, the 2023 Annual Report, the 2022 Annual Report or the 2021 Annual Report in which they respectively appear) are incorporated by reference into this Composite Document and form part of this Composite Document.

3. INDEBTEDNESS STATEMENT

As at the close of business on 30 September 2023, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this Composite Document, the indebtedness of the Group was shown as follows:

The Group had outstanding indebtedness comprising the borrowings granted from non-bank financial institution of approximately HK\$48.0 million and lease liabilities of approximately HK\$1.3 million.

The Group's borrowings were unsecured and the interest rate of the borrowings were charged at 12% per annum. The loan principal and interest are repayable on 13 May 2024. The lease liabilities were unsecured and unguaranteed.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, normal trade payables and other payables in the ordinary course of business, as at the close of business on 30 September 2023, the Group did not have any debt securities issued or outstanding, or authorised or otherwise created but unissued, or any term loans, other borrowings or indebtedness in the nature of borrowing including bank overdrafts, loans, liabilities under acceptances (other than normal trade bills), acceptance credits, hire purchase commitments, mortgages or charges, material contingent liabilities or guarantees outstanding.

4. MATERIAL CHANGE

As at the Latest Practicable Date, the Directors confirm that there had been no material change in the financial or trading position or outlook of the Group since 31 March 2023, being the date to which the latest published audited consolidated accounts of the Group were made up, up to and including the Latest Practicable Date.

1. RESPONSIBILITY STATEMENT

The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this Composite Document (other than those relating to the Vendor and the Group) and confirms, having made all reasonable inquiries, that to the best of her knowledge, opinions expressed in this Composite Document (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 Composite Document, the omission of which would make any statements in this Composite Document misleading.

2. DISCLOSURE OF INTERESTS IN SECURITIES OF THE COMPANY

As at the Latest Practicable Date, the Offeror and parties acting in concert with it owned an aggregate of 360,000,000 Shares, representing 75.0% of the entire issued share capital of the Company. Save for the above, the Offeror and parties acting in concert with it did not have any other interest in any shares, warrants, options, derivatives or securities carrying conversion of subscription rights into Shares.

Save for the above, the Offeror and parties acting in concert with it did not own, control or have direction over any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company as at the Latest Practicable Date.

3. DEALING IN SECURITIES OF THE COMPANY

The Offeror confirms that, as at the Latest Practicable Date:

- (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 Relevant Period;

- (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 acquired by the Offeror under the Offer (if any), 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 precondition 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) there was no arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code existed between the Offeror, its ultimate beneficial owners or parties acting in concert with any of them, and any other person;
- (x) 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;
- (xi) save for the Sale and Purchase Agreement, there is no understanding, arrangement and agreement or special deal 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;
- (xii) save for the Sale and Purchase Agreement, there is no understanding, arrangement and agreement or special deal between (1) any Shareholder (including the Vendor, its ultimate beneficial owner and parties acting in concert with any of them); and (2) the Offeror, its beneficial owner and/or parties acting in concert with any of them;

(xiii) no benefit will be given to any Director as compensation for loss of office or otherwise in connection with the Offer; and

(xiv) there is no agreement, arrangement or understanding (including any compensation arrangement) between the Offeror, its beneficial owner and/or parties acting in concert with any of them on one hand and any Directors, recent Directors, Shareholders or recent Shareholders on the other hand, having any connection with or was dependent upon the Offer.

4. EXPERTS AND CONSENTS

The following is the name and the qualification of the professional adviser whose letter, opinion or advice is contained or referred to in this Composite Document:

Name	Qualification
Rainbow Capital	a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
Head & Shoulders Securities	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

As at the Latest Practicable Date, each of Rainbow Capital and Head & Shoulders Securities has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion therein of its letter, opinion or advice and the references to its name, logo and/or its qualifications included herein in the form and context in which it appears.

5. MISCELLANEOUS

As at the Latest Practicable Date,

- (i) The Offeror, Yuan Feng Ventures Limited, is wholly and beneficially owned by Ms. Huang Hou and the sole director of the Offeror is Ms. Huang Hou.
- (ii) The registered and correspondence address of the Offeror is Room 2006, 20/F, Boss Commercial Centre, 28 Ferry Street, Yau Ma Tei, Kowloon, Hong Kong.
- (iii) The correspondence addresses of Ms. Huang Hou in the PRC and Hong Kong are (i) No. 23-3, New Village, Shitian District, Kuize Town, Huilai County, Guangdong Province, the PRC and (ii) Room 2006, 20/F, Boss Commercial Centre, 28 Ferry Street, Yau Ma Tei, Kowloon, Hong Kong, respectively.
- (iv) The registered and correspondence address of the Head & Shoulders Securities is 28/F, Queen's Road Centre, 152 Queen's Road Central, Hong Kong.
- (v) The registered and correspondence address of Rainbow Capital is Room 5B, 12/F, Tung Ning Building, No.2 Hillier Street, Sheung Wan, Hong Kong.
- (vi) The English text of this Composite Document and the accompanying Form of Acceptance shall prevail over their respective Chinese texts, in case of any inconsistency.

6. DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents are published (i) on the website of the SFC (www.sfc.hk) and (ii) on the website of the Company (www.yield-go.com) from the date of this Composite Document up to and including the Closing Date:

- (a) the memorandum and articles of the Offeror;
- (b) the Sale and Purchase Agreement;
- (c) the letter from Head & Shoulders Securities, the text of which is set out in this Composite Document;
- (d) the written consent referred to in the paragraph headed "Experts and Consents" in this Appendix III; and
- (e) this Composite Document and the accompanying Form of Acceptance.

APPENDIX IV GENERAL INFORMATION RELATING TO THE GROUP

1. RESPONSIBILITY STATEMENTS

Directors issuing this Composite Document jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than those relating to the Offeror and parties acting in concert with it) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Composite Document (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 Composite Document, the omission of which would make any statements in this Composite Document misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company of HK\$0.01 each as at the Latest Practicable Date were as follows:

(i) As at 31 March 2023

<i>Authorised</i>		<i>HK\$</i>
<u>1,000,000,000</u>	Shares	<u>10,000,000</u>
<i>Issued</i>		
<u>480,000,000</u>	Shares	<u>4,800,000</u>

(ii) As at Latest Practicable Date

<i>Authorised</i>		<i>HK\$</i>
<u>1,000,000,000</u>	Shares	<u>10,000,000</u>
<i>Issued</i>		
<u>480,000,000</u>	Shares	<u>4,800,000</u>

As at the Latest Practicable Date, save for 480,000,000 Shares in issue, the Company did not have other class of securities, outstanding options, derivatives, warrants or other securities which are convertible or exchangeable into Shares.

All issued Shares rank *pari passu* in all respects with each other, including, in particular, as to dividends, voting rights and return of capital.

As at the Latest Practicable Date, the Company has not issued any Shares since 31 March 2023, the date to which the latest audited financial statements of the Group were made up.

APPENDIX IV GENERAL INFORMATION RELATING TO THE GROUP

The issued Shares are listed on the Stock Exchange. None of the securities of the Company is listed or dealt in, and no listing or permission to deal in the securities of the Company is being or is proposed to be sought on any other stock exchange.

3. MARKET PRICES

The table below sets out the closing price of the Shares on the Stock Exchange on (1) the last business day of each of the calendar months during the Relevant Period, (2) the Last Trading Day, and (3) the Latest Practicable Date:

Date	Closing price of each Share (HK\$)
30 April 2023	0.81
31 May 2023	0.80
30 June 2023	0.86
31 July 2023	0.94
31 August 2023	0.99
21 September 2023 (Last Trading Day)	1.99
30 September 2023	1.99
31 October 2023	3.10
24 November 2023 (Latest Practicable Date)	3.29

During the Relevant Period, the highest and the lowest closing prices of the Shares as quoted on the Stock Exchange were HK\$3.45 per Share on 30 October 2023 and HK\$0.73 per Share on 21 June 2023.

4. DISCLOSURE OF INTERESTS

Directors' and chief executives' interests in the securities of the Company and its associated companies

As at the Latest Practicable Date, save as disclosed below, none of the Directors and their respective associates nor the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules; or (iv) which were required to be disclosed under the Takeovers Code.

APPENDIX IV GENERAL INFORMATION RELATING TO THE GROUP

Long position in the Shares

Name of Director	Capacity/Nature of interest	Number of Shares held	Percentage of shareholding
Mr. Ma Hon Yiu	Beneficial owner	40,000	0.01%

Disclosure of interests of substantial Shareholders

As at the Latest Practicable Date, the following persons (not being a Director or chief executive of the Company) had an interest or a short position in the Shares or the underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept under section 336 of the SFO or as otherwise notified to the Company and the Stock Exchange:

Name	Capacity/Nature of interest	Number of Shares held	Percentage of shareholding
The Offeror	Beneficial owner	360,000,000	75.0%
Ms. Huang Hou	Interest of controlled corporation	360,000,000	75.0%
Ultra Accord Limited	Security interest	360,000,000	75.0%

Notes:

1. The Offeror is wholly and beneficially owned by Ms. Huang Hou. As such, Ms. Huang Hou is deemed to be interested in 360,000,000 shares of the Company held by the Offeror by virtue of the SFO.
2. Ultra Accord Limited as lender granted a loan facility to the Offeror for the acquisition of the Sale Shares pursuant to the Sale and Purchase Agreement and has security interest over 360,000,000 Shares charged by the Offeror in favour of Ultra Accord Limited as security for the said loan facility.

Save as disclosed herein, as at the Latest Practicable Date, no person had an interest or a short position in the Shares or the underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept under section 336 of the SFO or as otherwise notified to the Company and the Stock Exchange.

5. ADDITIONAL DISCLOSURE OF INTERESTS

- (a) Save as disclosed in the paragraph 4 above, as at the Latest Practicable Date, none of the Directors was interested within the meaning of Part XV of the SFO in the Shares or any warrants, options, convertible securities or derivatives in respect of any Shares.
- (b) Save as disclosed in the paragraph 4 above, as at the Latest Practicable Date, none of the Directors held any beneficial shareholdings in the Company which would otherwise entitle them to accept or reject the Offer. Mr. Ma Hon Yiu, an independent non-executive Director, has indicated that he intends not to accept the Offer.
- (c) During the Relevant Period and as at the Latest Practicable Date, none of the subsidiaries of the Company, pension funds of the Company or of a subsidiary of the Company, or any person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of “acting in concert” in the Takeovers Code or who is an associate of the Company by virtue of class (2) of the definition of “associate” under the Takeovers Code (but excluding any exempt principal trader and exempt fund managers), had owned or controlled or dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares.
- (d) During the Offer Period and up to the Latest Practicable Date, save for the Sale and Purchase Agreement, there was no person who had arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code which existed between the Company, or any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of “acting in concert” under the Takeovers Code or who is an associate of the Company by virtue of classes (2), (3) or (4) of the definition of “associate” under the Takeovers Code, and no such person had owned, controlled or dealt for value in any Shares or any other convertible securities, warrants, options or derivatives in respect of the Shares.
- (e) During the Offer Period and up to the Latest Practicable Date, no Shares or any other convertible securities, warrants, options or derivatives in respect of the Shares were managed on a discretionary basis by fund managers (other than exempt fund managers) connected with the Company and no such person had dealt for value in any Shares or any other convertible securities, warrants, options or derivatives in respect of the Shares.
- (f) As at the Latest Practicable Date, none of the Company or the Directors had borrowed or lent any Shares or any convertible securities, warrants, options or derivatives or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in respect of any Shares.

APPENDIX IV GENERAL INFORMATION RELATING TO THE GROUP

- (g) During the Relevant Period, saved for the Sale Shares, none of the Directors had dealt for value in any Shares, convertible securities, warrants, options, or derivatives in respect of the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

6. SHAREHOLDING AND DEALINGS IN SHARES OF THE OFFEROR

During the Relevant Period and as at the Latest Practicable Date, neither the Company, any of its subsidiaries, nor any Directors was interested in and had dealt for value in any shares of the Offeror or any other convertible securities, warrants, options or derivatives or any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in respect of any shares of the Offeror.

7. ARRANGEMENTS AFFECTING AND RELATING TO DIRECTORS

As at the Latest Practicable Date:

- (a) no benefit (other than statutory compensation) was or would be given to any Director as compensation for loss of office or otherwise in connection with the Offer;
- (b) there was no agreement or arrangement between any Director and any other person which was conditional on or dependent upon the outcome of the Offer or otherwise connected with the Offer;
- (c) save for the Sale and Purchase Agreement, there was no material contracts had been entered into by the Offeror in which any Director had a material personal interest; and
- (d) there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (1) any Shareholder and (2) the Company, its subsidiaries or associated Companies.

8. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and, no litigation or claims of material importance is pending or threatened by or against the Company and any of its subsidiaries.

9. MATERIAL CONTRACTS

None of the members of the Group entered into any contract, not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Company or any of its subsidiaries, within two years preceding the date of the commencement of the Offer Period and up to and including the Latest Practicable Date and which are material.

APPENDIX IV GENERAL INFORMATION RELATING TO THE GROUP

10. EXPERT AND CONSENT

The following is the qualifications of the expert which has given opinions or advices which are contained or referred to in this Composite Document:

Name	Qualification
Merdeka Corporate Finance	a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

Merdeka Corporate Finance has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion herein of its letter, advice, and references to its name, logo and/or its qualification in the form and context in which they are included.

11. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, the Company had entered into the following service agreements and letters of appointment with the Directors:

Name	Position	Term	Amount of remuneration	Variable remuneration
Man Hoi Yuen	Executive Director	a term of 36 months commencing from 31 December 2021 to 30 December 2024	HK\$1,081,600 per annum and the housing benefits as provided by the Group from time to time	Discretionary bonus as may be decided by the Board
Ng Yuen Chun	Executive Director	a term of 36 months commencing from 31 December 2021 to 30 December 2024	HK\$390,000 per annum	Discretionary bonus as may be decided by the Board
Ho Chi Hong	Executive Director	a term of 36 months commencing from 31 December 2021 to 30 December 2024	HK\$845,000 per annum	Discretionary bonus as may be decided by the Board

APPENDIX IV GENERAL INFORMATION RELATING TO THE GROUP

Name	Position	Term	Amount of remuneration	Variable remuneration
Zheng Gang	Executive Director	a term of 36 months commencing from 1 October 2022 to 30 September 2025	HK\$360,000 per annum	Discretionary bonus as may be decided by the Board
Lin Zheng	Executive Director	a term of 36 months commencing from 1 October 2022 to 30 September 2025	HK\$360,000 per annum	Discretionary bonus as may be decided by the Board
Zheng Chenhui	Executive Director	a term of 36 months commencing from 1 October 2022 to 30 September 2025	HK\$360,000 per annum	Discretionary bonus as may be decided by the Board
Chen Jian	Non-executive Director	a term of 36 months commencing from 1 October 2022 to 30 September 2025	HK\$180,000 per annum	Discretionary bonus as may be decided by the Board
Chen Yidong	Non-executive Director	a term of 36 months commencing from 1 October 2022 to 30 September 2025	HK\$180,000 per annum	Discretionary bonus as may be decided by the Board
Chan Ka Yu	Independent Non-executive Director	a term of 36 months commencing from 31 December 2021 to 30 December 2024	HK\$180,000 per annum	–
Lo Ki Chiu	Independent Non-executive Director	a term of 36 months commencing from 31 December 2021 to 30 December 2024	HK\$180,000 per annum	–

APPENDIX IV GENERAL INFORMATION RELATING TO THE GROUP

Name	Position	Term	Amount of remuneration	Variable remuneration
Leung Wai Lim	Independent Non-executive Director	a term of 36 months commencing from 31 December 2021 to 30 December 2024	HK\$180,000 per annum	–
Ma Hon Yiu	Independent Non-executive Director	a term of 36 months commencing from 30 December 2022 to 29 December 2025	HK\$180,000 per annum	–

Save as disclosed above, as at the Latest Practicable Date, none of the Directors had entered into any service contract with the Company or any of its subsidiaries or associated companies which: (a) (including both continuous and fixed term contracts) had been entered into or amended within six months before the commencement of the Offer Period; (b) was a continuous contract with a notice period of 12 months or more; or (c) was a fixed term contract with more than 12 months to run irrespective of the notice period.

12. MISCELLANEOUS

- (a) The registered office of the Company is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and its principal office in Hong Kong is situated at Unit 3, 32/F, Cable TV Tower, No. 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong.
- (b) As at the Latest Practicable Date, the Board comprised 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.
- (c) The registered office of Merdeka Corporate Finance is situated at Room 1108–1110, 11/F, Wing On Centre, 111 Connaught Road, Central, Hong Kong.
- (d) The English text of this Composite Document shall prevail over their respective Chinese text in case of inconsistency.

13. DOCUMENTS ON DISPLAY

Copies of the following documents are published on the websites of the SFC (<http://www.sfc.hk>); and the Company (<http://www.yield-go.com>), from the date of this Composite Document up to and including the Closing Date:

- (a) the memorandum and articles of association of the Company;
- (b) the 2021 Annual Report, the 2022 Annual Report, the 2023 Annual Report and the 2023 Interim Results Announcement;
- (c) the letter from the Board, the text of which is set out in this Composite Document;
- (d) the letter from the Independent Board Committee, the text of which is set out in this Composite Document;
- (e) the letter from Merdeka Corporate Finance, the text of which is set out in this Composite Document;
- (f) the service contracts referred to in the section headed “Directors’ Service Contracts” in this Appendix; and
- (g) the written consent referred to in the paragraph headed “Experts and Consents” in this Appendix IV.