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**STEEL DUST LIMITED**

*(Incorporated in the British Virgin Islands with limited liability)*

**PAK WING GROUP (HOLDINGS)  
LIMITED**

**柏榮集團(控股)有限公司**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 8316)**

**JOINT ANNOUNCEMENT**

- (1) CONDITIONAL AGREEMENT IN RELATION TO  
SALE AND PURCHASE OF SHARES IN  
PAK WING GROUP (HOLDINGS) LIMITED;**  
**(2) POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER BY  
FREEMAN SECURITIES LIMITED  
FOR AND ON BEHALF OF THE OFFEROR  
TO ACQUIRE ALL OF THE ISSUED SHARES OF  
PAK WING GROUP (HOLDINGS) LIMITED  
(OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY THE  
OFFEROR AND  
PARTIES ACTING IN CONCERT WITH IT);**  
**(3) APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER;  
AND  
(4) RESUMPTION OF TRADING**

**Financial Adviser to the Offeror**



**Prosperity Capital Holdings Limited**

**Offer agent to the Offeror**



民眾金融科技控股有限公司 (香港交易所編號: 279) 附屬公司  
A subsidiary of Freeman FinTech Corporation Limited (HKEx Stock Code: 279)

**Freeman Securities Limited**

**Independent Financial Adviser to the Independent Board Committee and  
the Independent Shareholders**

**Red Sun Capital Limited**

## THE SALE AND PURCHASE AGREEMENT

The Company was informed by the Vendors that on 24 February 2017, after the trading hours, the Vendors and the Offeror entered into the Sale and Purchase Agreement pursuant to which the Vendors have conditionally agreed to sell and the Offeror has conditionally agreed to purchase an aggregate of 600,000,000 Sale Shares, representing 75.00% of the total issued share capital of the Company as at the date of this joint announcement. The Consideration for the Sale Shares is HK\$300,000,000, which is equivalent to HK\$0.50 per Sale Share. Completion is expected to take place on the second Business Day after the last of the conditions precedents as described in the sub-paragraph headed “The Sale and Purchase Agreement – Conditions Precedent” below is fulfilled (or otherwise waived) (or such other date as may be agreed by the Vendors and the Purchaser in writing).

## POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER

As at the date of this joint announcement, the Offeror and parties acting in concert with it did not hold any Shares, options, derivatives, warrants, convertible securities or voting rights of the Company. Immediately following Completion, the Offeror and parties acting in concert with it will be interested in a total of 600,000,000 Shares, representing 75.00% of the total issued share capital of the Company.

Pursuant to Rule 26.1 of the Takeovers Code, upon Completion, the Offeror is required to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it).

As at the date of this joint announcement, the Company has 800,000,000 Shares in issue. The Company does not have any outstanding options, derivatives, warrants or other securities which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or other securities which are convertible or exchangeable into Shares.

Subject to and upon Completion, Freeman Securities, for and on behalf of the Offeror, will make the Offer in compliance with the Takeovers Code and on the terms to be set out in the Composite Document on the following basis:

**For each Offer Share ..... HK\$0.50 in cash**

The Offer Price of HK\$0.50 per Offer Share under the Offer is the same as the purchase price per Sale Share of the Consideration payable by the Offeror under the Sale and Purchase Agreement.

The principal terms of the Offer are set out under the section headed “Possible mandatory unconditional cash offer” below in this joint announcement.

The Offer, if and when made, will be unconditional in all respects. The Offeror intends to maintain the listing of the Shares on the Stock Exchange after the close of the Offer.

The Offeror will finance and satisfy the Consideration under the Sale and Purchase Agreement and the Offer from the internal resources of the Offeror and a loan facility granted by Freeman Securities to the Offeror.

Prosperity Capital has been appointed as the financial adviser to the Offeror in respect of the Offer and is satisfied that sufficient financial resources are, and will remain, available to the Offeror to satisfy the amount of funds required for the payment of the Consideration pursuant to the Sale and Purchase Agreement and the full acceptance of the Offer.

#### **ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

An Independent Board Committee, comprising all three independent non-executive Directors, namely Mr. Wong Chi Shing, Mr. Lau Yik Lok and Mr. Yan Chun Fu, has been formed to make a recommendation to the Independent Shareholders in respect of the Offer as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer.

Red Sun Capital Limited has been appointed, with the approval of the Independent Board Committee and pursuant to Rule 2.1 of the Takeovers Code, as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offer and as to its acceptance.

#### **DESPATCH OF THE COMPOSITE DOCUMENT**

Pursuant to Rule 8.2 of the Takeovers Code, the Offeror is required to despatch an offer document containing the terms of the Offer (accompanied by the acceptance and transfer forms) to the Shareholders within 21 days after the date of this joint announcement, or such later date as the Executive may approve.

It is the intention of the Offeror and the Board to combine the offer document and the offeree board circular into the Composite Document. Accordingly, the Composite Document (accompanied by the acceptance and transfer forms) in connection with the Offer setting out, inter alia, details of the Offer (including the expected timetable) and incorporating the letter of recommendation from the Independent Board Committee and the letter of advice from the Independent Financial Adviser on the Offer and as to its acceptance, will be issued and despatched by the Offeror and the Company jointly to the Shareholders in accordance with the Takeovers Code.

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

## **TRADING HALT AND RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange has been halted with effect from 9:00 a.m. on 27 February 2017 pending the publication of this joint announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 7 March 2017.

### **WARNING**

**The Offer is a mandatory unconditional cash offer and will only be made if Completion takes place. The issue of this joint announcement does not in any way imply that the Offer will be made. Shareholders and potential investors of the Company are advised to exercise extreme caution when dealing in the relevant securities of the Company. Persons who are in doubt as to the action they should take should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.**

## **THE SALE AND PURCHASE AGREEMENT**

The Company was informed by the Vendors that on 24 February 2017, after the trading hours, the Vendors and the Offeror entered into the Sale and Purchase Agreement. Principal terms of the Sale and Purchase Agreement are set out below.

Date : 24 February 2017

Parties : (1) Get Real Holdings Limited as Vendor A;  
(2) Dor Holdings Limited as Vendor B;  
(3) Mr. Wong and Mr. Tse as Guarantors; and  
(4) Steel Dust Limited as the purchaser (and the Offeror).

As at the date of this joint announcement, Vendor A is wholly and beneficially owned by Mr. Wong, an executive Director and chairman of the Board, and Vendor B is wholly and beneficially owned by Mr. Tse, an executive Director and chief executive officer of the Company. Mr. Wong and Mr. Tse are joined as parties to the Sale and Purchase Agreement to guarantee the performance of the Vendors of their obligations under the Sale and Purchase Agreement.

As at the date of this joint announcement, the Offeror and parties acting in concert with it did not hold any Shares, options, derivatives, warrants, convertible securities or voting rights of the Company. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Offeror and parties acting in concert with it is an Independent Third Party.

As confirmed by the Vendors and the Offeror, none of the Vendors and parties acting in concert with any of them are acting in concert with any of the Offeror or parties acting in concert with it.

### **Subject matter of the Sale and Purchase Agreement**

Pursuant to the Sale and Purchase Agreement, the Vendors have conditionally agreed to sell and the Offeror has conditionally agreed to purchase an aggregate of 600,000,000 Sale Shares, representing 75.00% of the total issued share capital of the Company as at the date of this joint announcement, free from all encumbrances and together with all rights now and thereafter attaching thereto (including all rights to any dividend or other distribution declared, made or paid on or after the Completion Date). Mr. Wong and Mr. Tse are the ultimate beneficial owners of 300,000,000 Sale Shares and 300,000,000 Sale Shares respectively.

### **Consideration for the Sale Shares**

The Consideration for the Sale Shares of HK\$300,000,000, equivalent to HK\$0.50 per Sale Share, was determined between the Offeror and the Vendors after arm's length negotiations and the entire Consideration shall be payable by the Offeror to the Vendors at Completion.

### **Conditions precedent**

Completion shall be conditional upon:

- (i) where necessary, all necessary consents, approvals, waivers and authorisations required to be obtained by the Vendors and the Guarantors in respect of the Sale and Purchase Agreement and the transactions contemplated thereby having been obtained;
- (ii) where necessary, all necessary consents, approvals, waivers and authorisations required to be obtained by the Purchaser in respect of the Sale and Purchase Agreement and the transactions contemplated thereby having been obtained;
- (iii) the listing of the Shares not having been withdrawn, the Shares continuing to be traded on the Stock Exchange and no notification or indication being received from the Stock Exchange or the SFC prior to the Completion Date that the listing of the Shares on the Stock Exchange will or may be, withdrawn or suspended (save for any temporary suspension for no longer than five consecutive trading days or such other period as the Purchaser may agree in writing or the temporary suspension for the purpose of obtaining clearance from the Stock Exchange or the SFC for any announcements in connection with transactions contemplated under the Sale and Purchase Agreement) and neither the Stock Exchange, nor the SFC having indicated that either one of them will object to such continued listing for reasons related to or arising from the transactions contemplated under the Sale and Purchase Agreement; and
- (iv) the Stock Exchange and the SFC advising that they have no further comment on the joint announcement to be released in connection with the transactions contemplated under the Sale and Purchase Agreement and the publication of this joint announcement on the Stock Exchange's website.

The Purchaser may, at its absolute discretion, waive any of the above conditions except that none of the conditions set out in (i) and (ii) above are capable of being waived by any of the parties to the Sale and Purchase Agreement. The Vendors shall procure the fulfilment of the conditions set out in (i), (iii) and (iv) above and the Purchaser shall procure the fulfilment of the condition set out in (ii) above before the 30th day after the date of the Sale and Purchase Agreement (or such later date as may be agreed by the Vendors and the Purchaser in writing).

The Vendors and the Guarantors confirm that they are not subject to any consent, approval, waiver or authorisation by any third parties in respect of the Sale and Purchase Agreement and the transactions contemplated thereby except for the consent by Imperium Credit Limited (“**Imperium**”), a licensed money lender in Hong Kong (which was obtained by the Vendors on 24 February 2017) in favour of which the Vendors had executed a charge over their respective securities accounts each deposited with 300,000,000 Shares.

As advised by the Vendors, Imperium entered into a loan agreement for a loan in the principal amount of HK\$65,000,000 (which was drawn on 29 August 2016) with each of Vendor A and Vendor B on 22 August 2016. Imperium is wholly-owned by Mr. Cheng Ting Kong (“**Mr. Cheng**”). Each of Vendor A and Vendor B has a securities account with Sun International Securities Limited (“**Sun International Securities**”) deposited with 300,000,000 Shares. Mr. Lui Man Wah, who was appointed as an executive Director on 1 September 2016, is also a director of Sun International Securities and its holding company, Sun International Resources Limited (Stock code: 8029) (“**Sun International Resources**”). Sun International Resources is owned as to approximately 47.05% by First Cheer Holdings Limited which is owned as to 50% by Mr. Cheng. Sun International Securities was the co-lead manager and one of the underwriters for the placing of the Shares at the time of listing of the Shares on GEM in 2015 during which Sun International Securities was indirectly owned as to 50% by Ms. Yeung So Mui, the wife of Mr. Cheng.

The Purchaser confirms that it is not subject to any consent, approval, waiver or authorisation in respect of the Sale and Purchase Agreement and the transactions contemplated thereby.

## **Completion**

Completion is expected to take place on the date which is the second Business Day after the last of the conditions precedent as set out above is fulfilled (or otherwise waived) (or such other date as may be agreed by the Vendors and the Purchaser in writing).

## SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) as at the date of this joint announcement; and (ii) upon Completion but before the Offer is made:

	As at the date of this joint announcement		Upon Completion but before the Offer is made	
	Number of Shares held	% of Shares in issue	Number of Shares held	% of Shares in issue
Vendor A	300,000,000 <i>(Note 1)</i>	37.50	–	–
Vendor B	300,000,000 <i>(Note 2)</i>	37.50	–	–
The Offeror and parties acting in concert with it	–	–	600,000,000	75.00
Public Shareholders	200,000,000	25.00	200,000,000	25.00
Total	<u>800,000,000</u>	<u>100.00</u>	<u>800,000,000</u>	<u>100.00</u>

*Notes:*

1. Vendor A is wholly owned by Mr. Wong, an executive Director and chairman of the Board.
2. Vendor B is wholly owned by Mr. Tse, an executive Director and chief executive officer of the Company.

## POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER

As at the date of this joint announcement, the Offeror and parties acting in concert with it did not hold any Shares, options, derivatives, warrants, convertible securities or voting rights of the Company. Immediately following Completion, the Offeror and parties acting in concert with it will be interested in a total of 600,000,000 Shares, representing 75.00% of the total issued share capital of the Company.

Pursuant to Rule 26.1 of the Takeovers Code, upon Completion, the Offeror is required to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it).

As at the date of this joint announcement, the Company has 800,000,000 Shares in issue. The Company does not have any outstanding options, derivatives, warrants or other securities which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or other securities which are convertible or exchangeable into Shares.

Subject to and upon Completion, Freeman Securities, for and on behalf of the Offeror, will make the Offer for and on behalf of the Offeror in compliance with the Takeovers Code and on the terms to be set out in the Composite Document on the following basis:

**For each Offer Share . . . . . HK\$0.50 in cash**

The Offer Price of HK\$0.50 per Offer Share under the Offer is the same as the purchase price per Sale Share of the Consideration payable by the Offeror under the Sale and Purchase Agreement. The Offer Shares to be acquired under the Offer shall be fully paid and free from all encumbrances and together with all rights now and thereafter attaching 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, being the date of the despatch of the Composite Document.

Subject to Completion, the Offer will be unconditional in all respects and will not be conditional upon acceptances being received in respect of a minimum number of Shares or any other conditions.

**Comparison of value**

The Offer Price of HK\$0.50 per Offer Share represents:

- (1) a discount of approximately 69.88% to the closing price of HK\$1.66 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (2) a discount of approximately 69.88% to the average closing price of HK\$1.66 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;
- (3) a discount of approximately 72.22% to the average closing price of approximately HK\$1.80 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day;
- (4) a discount of approximately 74.23% to the average closing price of approximately HK\$1.94 per Share as quoted on the Stock Exchange for the last 30 consecutive trading days up to and including the Last Trading Day; and
- (5) a premium of approximately 733.33% over the net asset value per Share of approximately HK\$0.06 (based on the unaudited consolidated net assets of the Group of approximately HK\$47,870,000 as at 30 September 2016 and the number of the issued Shares as at the date of this joint announcement).



## **Highest and lowest Share price**

During the six-month period preceding the Last Trading Day:

- (1) the highest closing price of the Shares as quoted on the Stock Exchange was HK\$2.28 per Share on each of 18 January 2017 and 20 January 2017 respectively; and
- (2) the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$1.25 per Share on 7 September 2016.

## **Total value of the Offer**

As at the date of this joint announcement, there are 800,000,000 Shares in issue. The Company does not have any outstanding options, derivatives, warrants or other securities which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or other securities which are convertible or exchangeable into Shares.

Assuming there is no change in the total issued share capital of the Company prior to the close of the Offer, 200,000,000 Shares will be subject to the Offer.

Based on the Offer Price of HK\$0.50 per Offer Share and on the basis of full acceptance of the Offer, the cash consideration payable by the Offeror under the Offer will amount to HK\$100,000,000.

## **Financial resources available to the Offeror**

The Consideration payable by the Offeror in respect of the Sale Shares under the Sale and Purchase Agreement, together with the maximum consideration payable under the Offer, will amount to HK\$400,000,000. The Offeror will finance and satisfy the Consideration under the Sale and Purchase Agreement and the Offer from the internal resources of the Offeror and a loan facility granted by Freeman Securities to the Offeror.

Prosperity Capital has been appointed as the financial adviser to the Offeror in respect of the Offer and is satisfied that sufficient financial resources are, and will remain, available to the Offeror to satisfy the amount of funds required for the payment of the Consideration pursuant to the Sale and Purchase Agreement and the full acceptance of the Offer.

## **Effects of accepting the Offer**

By validly accepting the Offer, the Shareholders will sell their tendered Shares to the Offeror free from all encumbrances and together with all rights now and thereafter attaching 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, being the date of the despatch of the Composite Document.

Acceptance of the Offer by any Independent Shareholder will constitute a warranty by such person that all Offer Shares sold by such person under the Offer are free from all liens, charges, options, claims, equities, adverse interests, third-party rights or encumbrances whatsoever and together with all rights accruing or attaching thereto, including, without limitation, the right to receive dividends and distributions recommended, declared, made or paid, if any, on or after the date on which the Offer is made.

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

### **Hong Kong stamp duty**

The seller's Hong Kong ad valorem stamp duty on acceptance of the Offer at a rate of 0.1% of the consideration payable in respect of the acceptance by the Shareholders or if higher, the market value of the Offer Shares.

The Offeror will bear, and will arrange for payment of the seller's ad valorem stamp duty, and will also pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Offer and the transfers of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

### **Taxation advice**

Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, parties acting in concert with the Offeror, the Company, Prosperity Capital, Freeman Securities and 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.

### **Payment**

Payment in cash in respect of acceptances of the Offer will be made as soon as possible but in any event within seven business days (as defined in the Takeovers Code) of the date on which the duly completed acceptances of the Offer and the relevant documents of title in respect of such acceptances are received by the Offeror or its agent to render each such acceptance complete and valid.

### **Overseas Shareholders**

As the Offer to persons not residing in Hong Kong might be affected by the laws of the relevant jurisdiction in which they are resident, Overseas Shareholders and beneficial owners of the Shares who are citizens, residents or nationals of a jurisdiction outside Hong Kong should obtain information about and observe any applicable legal or regulatory requirements and, where necessary, consult their own professional advisers. It is the 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 or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Overseas Shareholders in respect of such jurisdictions). Any acceptance by any Overseas Shareholder will be deemed to constitute a representation and warranty from such Overseas Shareholder to the Offeror that the local laws and requirements have been complied with. The Overseas Shareholders should consult their professional advisers if in doubt.

In the event that the despatch of the Composite Document to Overseas Shareholders is prohibited by any relevant law or may only be effected after compliance with conditions or requirements that are unduly burdensome, subject to the Executive's waivers, the Composite Document will not be despatched to such Overseas Shareholders. The Offeror will apply for such waivers as may be required by the Executive pursuant to Note 3 to Rule 8 of the Takeovers Code at such time. In any event, all material information in the Composite Document will be made available to such Overseas Shareholders.

### **Dealings in securities in the Company**

During the six-month period immediately prior to and including the date of this joint announcement, save for the Sale and Purchase Agreement to which the Offeror is a party, none of the Offeror and parties acting in concert with it has dealt in any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

### **Other arrangements**

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

- (1) save for the 600,000,000 Sale Shares to be acquired by the Offeror pursuant to the Sale and Purchase Agreement, none of the Offeror, its ultimate beneficial owner and/or parties acting in concert with any of them owns or has control or direction over any voting rights or rights over the Shares, options, derivatives, warrants or other securities convertible into Shares of the Company;
- (2) none of the Offeror, its ultimate beneficial owner, and/or parties acting in concert with any of them has received any irrevocable commitment to accept the Offer;
- (3) save for the Sale Shares to be acquired by the Offeror pursuant to the Sale and Purchase Agreement and the Offer Shares to be acquired by the Offeror through the Offer, there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Shares and which may be material to the Offer;
- (4) save for the Sale and Purchase Agreement, there is no agreement or arrangement to which the Offeror, its ultimate beneficial owners and/or parties acting in concert with any of them is a party which relates to circumstances in which the Offeror may or may not invoke or seek to invoke a pre-condition or a condition to the Offer;

- (5) the Offeror, its ultimate beneficial owners, and/or parties acting in concert with any of them have not borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (6) there is no outstanding derivative in respect of securities in the Company which has been entered into by the Offeror, its ultimate beneficial owners and/or parties acting in concert with any of them;
- (7) there is no agreement, arrangement or understanding (including any compensation arrangement) existing between the Offeror, its ultimate beneficial owners and/or parties acting in concert with any of them and any of the Directors, recent directors of the Company, Shareholders, or recent shareholders of the Company (including the Vendors and parties acting in concert with them) having any connection with or dependence upon the Offer: and
- (8) save for the Consideration to be paid to the Vendors pursuant to the Sale and Purchase Agreement upon Completion, each of the Purchaser, its nominees or representatives has not and will not pay any other consideration in whatever form to the Vendors, their nominees or representatives, their ultimate beneficial owners and/or parties acting in concert with any of them in connection with the Sale and Purchase Agreement or otherwise.

#### **INFORMATION ON THE OFFEROR**

The Offeror is an investment holding company incorporated in the British Virgin Islands with limited liability on 4 November 2016 and principally engaged in investment holding. Its sole beneficial owner and the sole director is Mr. Zhang.

Mr. Zhang is also the sole beneficial owner and the legal representative of 天津鼎杰資產管理有限公司 (in English, for identification purpose only, Tianjin Ding Jie Asset Management Company Limited). It is principally engaged in investment management business with investment in various industries including asset management, insurance agency and corporate consultancy. The net asset value of 天津鼎杰資產管理有限公司 (in English, for identification purpose only, Tianjin Ding Jie Asset Management Company Limited) amounted to approximately RMB2.1 billion as at 31 December 2016.

#### **INFORMATION ON THE GROUP**

The Company is incorporated in the Cayman Islands with limited liability and is listed on the Stock Exchange. The principal activity of the Company is investment holding. The Group is principally engaged in the foundation business as a foundation subcontractor in Hong Kong.

The following table is a summary of certain consolidated financial information of the Company for the two financial years ended 31 March 2015 and 2016 and the six months ended 30 September 2016 respectively.

	<b>For the six months ended 30 September 2016</b>	<b>For the year ended 31 March 2016</b>	<b>For the year ended 31 March 2015</b>
	<i>Approximately HK\$ (unaudited)</i>	<i>Approximately HK\$ (audited)</i>	<i>Approximately HK\$ (audited)</i>
Revenue	69,747,000	107,306,000	130,791,000
(Loss)/Profit before taxation	(4,685,000)	(24,820,000)	15,672,000
(Loss)/Profit after taxation	(4,250,000)	(22,231,000)	11,874,000
	<b>As at 30 September 2016</b>	<b>As at 31 March 2016</b>	<b>As at 31 March 2015</b>
Net assets	47,870,000	52,120,000	43,553,000

#### **INTENTION OF THE OFFEROR IN RELATION TO THE COMPANY**

Upon Completion, the Offeror will become the controlling shareholder of the Company. The Offeror intends that the Group will continue its existing principal business and will maintain the listing status of the Company on GEM.

However, 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 for the Company and consider whether any asset disposals, asset acquisitions, business rationalisation, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance long-term growth potential of the Company. However, as at the date of this joint announcement, no such investment or business opportunities has been identified nor has the Offeror entered into any agreement, arrangements, understandings or negotiation in relation to the injection of any assets or business into the Group. Further, the Offeror has no intention to discontinue the employment of the employees (save for the change 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.

## **PROPOSED CHANGE OF BOARD COMPOSITION**

The Board is currently made up of seven Directors, comprising four executive Directors, being Mr. Wong Chin To, Mr. Tse Chun Kit, Mr. Lui Man Wah and Mr. Ee Kok Wai, Thomas; and three independent non-executive Directors, being Mr. Wong Chi Shing, Mr. Lau Yik Lok and Mr. Yan Chun Fu.

Pursuant to the terms of the Sale and Purchase Agreement, the Vendors shall deliver or cause to be delivered to the Offeror the resignation letters of each of Mr. Tse, Mr. Ee, Mr. Lau Yik Lok and Mr. Yan Chun Fu as a Director upon Completion. The resignation of each such Director will not take effect on a date earlier than the earliest time permitted under the Takeovers Code.

The Offeror intends to nominate Mr. Zhang and other individuals to the Board with effect from the earliest time permitted under the Takeovers Code. As at the date of this joint announcement, other than Mr. Zhang, no other individuals as new Directors have been identified by the Offeror. Any changes to the Board composition will be made in compliance with the Takeovers Code and the GEM Listing Rules.

## **MAINTAINING THE LISTING STATUS OF THE COMPANY**

The Offeror intends to maintain the listing of the Shares on GEM after the close of the Offer.

In the event that the public float of the Company falls below 25% following the close of the Offer, the Offeror and the Company will undertake to the Stock Exchange to take appropriate steps to ensure that a sufficient public float exists for the Shares following the close of the Offer. Such appropriate steps include but not limited to making an application to the Stock Exchange for a temporary waiver from strict compliance with Rule 11.23(7) of the GEM Listing Rules; engaging a placing agent to assist the Offeror in placing down the number of Shares held by it to Independent Third Party(ies) to restore the public float of the Company; and procuring the Company to make further announcement(s) regarding the restoration of public float as and when required. In this connection, the Offeror is in the course of identifying appropriate placing agent to assist it in placing down the Shares which may be tendered for acceptance under the Offer. An announcement will be made by the Offeror and the Company once details of such placing arrangement are finalised.

**The Stock Exchange has stated that if, upon closing of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the Shares, are held by the public or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend trading in the Shares until the prescribed level of public float is restored.**

## **ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

An Independent Board Committee, comprising all three independent non-executive Directors, namely Mr. Wong Chi Shing, Mr. Lau Yik Lok and Mr. Yan Chun Fu, has been formed to make a recommendation to the Independent Shareholders in respect of the Offer as to whether the terms of the Offer are fair and reasonable and its acceptance.

Red Sun Capital Limited has been appointed, with the approval of the Independent Board Committee and pursuant to Rule 2.1 of the Takeovers Code, as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offer and as to its acceptance.

## **DESPATCH OF THE COMPOSITE DOCUMENT**

Pursuant to Rule 8.2 of the Takeovers Code, the Offeror is required to despatch an offer document containing the terms of the Offer (accompanied by the acceptance and transfer forms) to the Shareholders within 21 days after the date of this joint announcement, or such later date as the Executive may approve.

It is the intention of the Offeror and the Board to combine the offer document and the offeree board circular into the Composite Document. Accordingly, the Composite Document (accompanied by the acceptance and transfer forms) in connection with the Offer setting out, inter alia, details of the Offer (including the expected timetable) and incorporating the letter of recommendation from the Independent Board Committee and the letter of advice from the Independent Financial Adviser on the Offer and as to its acceptance, will be issued and despatched by the Offeror and the Company jointly to the Shareholders in accordance with the Takeovers Code.

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

## **GENERAL**

### **Securities in the Company**

As at the date of this joint announcement, the Company has a total of 800,000,000 Shares in issue. Save as aforesaid, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date of this joint announcement.

## **Disclosure in dealings**

In accordance with Rule 3.8 of the Takeovers Code, the respective associates (as defined under the Takeovers Code and including a person who owns or controls 5% or more of any class of relevant securities) of the Company and the Offeror are hereby reminded to disclose their dealings in the securities of the Company pursuant to the Takeovers Code.

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

### **“Responsibilities of stockbrokers, banks and other intermediaries**

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

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

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

## **TRADING HALT AND RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange has been halted with effect from 9:00 a.m. on 27 February 2017 pending the publication of this joint announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 7 March 2017.



## WARNING

**The Offer is a mandatory unconditional cash offer and will only be made if Completion takes place. The issue of this joint announcement does not in any way imply that the Offer will be made. Shareholders and potential investors of the Company are advised to exercise extreme caution when dealing in the relevant securities of the Company. Persons who are in doubt as to the action they should take should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.**

## DEFINITIONS

In this joint announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“associate”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Business Day(s)”	day(s) on which the Stock Exchange is open for transaction of business
“Company”	Pak Wing Group (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on GEM
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the Sale and Purchase Agreement
“Completion Date”	the second Business Day after the last of the conditions precedent to the Sale and Purchase Agreement is fulfilled (or otherwise waived) (or such other date as may be agreed by the Vendors and the Purchaser in writing)
“Composite Document”	the document proposed to be jointly issued by or on behalf of the Offeror and the Company to the Shareholders other than the Offeror and parties acting in concert with it in accordance with the Takeovers Code in respect of the Offer containing, among other things, the details of the Offer (accompanied by the acceptance and transfer forms) and the letter of recommendation from the Independent Board Committee and the letter of advice from the Independent Financial Adviser
“Consideration”	the total consideration of HK\$300,000,000 payable by the Offeror to the Vendors pursuant to the Sale and Purchase Agreement
“Director(s)”	the director(s) of the Company

“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director, as defined in the Takeovers Code
“Freeman Securities”	Freeman Securities Limited, a corporation licensed to carry out Type 1 (dealing in securities) regulated activity as defined under the SFO, being the offer agent to the Offeror
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Guarantors”	collectively, Mr. Wong and Mr. Tse
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors, namely Mr. Wong Chi Shing, Mr. Lau Yik Lok and Mr. Yan Chun Fu, formed to make recommendation to the Independent Shareholders in relation to the terms of the Offer and its acceptance
“Independent Financial Adviser”	Red Sun Capital Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity as defined under the SFO, being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Offer
“Independent Shareholders”	the Shareholders other than the Offeror and parties acting in concert with any of it
“Independent Third Party”	a third party who are independent of the Company and the connected persons (within the meaning of the GEM Listing Rules) of the Company
“Last Trading Day”	24 February 2017, being the last trading day for the Shares prior to the suspension of trading in the Shares pending the publication of this joint announcement
“Mr. Tse”	Mr. Tse Chun Kit, an executive Director and chief executive officer of the Company, the sole legal and beneficial owner of Vendor B

“Mr. Wong”	Mr. Wong Chin To, an executive Director and chairman of the Board, the sole legal and beneficial owner of Vendor A
“Mr. Zhang	Mr. Zhang Weijie, the sole legal and beneficial owner of the Offeror
“Offer”	the possible mandatory unconditional cash offer to be made by Freeman Securities for and on behalf of the Offeror to acquire all the issued Shares other than those already owned by the Offeror and parties acting in concert with it pursuant to Rule 26.1 of the Takeovers Code
“Offer Period”	has the meaning ascribed to it under the Takeovers Code
“Offer Price”	the price per Offer Share at which the Offer will be made in cash, being HK\$0.50 per Offer Share
“Offer Shares”	all the Shares in issue, other than those Shares already owned by the Offeror and parties acting in concert with it and an “Offer Share” shall be construed accordingly
“Offeror” or “Purchaser”	Steel Dust Limited, a company incorporated in the British Virgin Islands with limited liability and wholly owned by Mr. Zhang
“Overseas Shareholder(s)”	Shareholder(s) whose address(es) as shown on the register of members of the Company was/were outside Hong Kong
“Prosperity Capital”	Prosperity Capital Holdings Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity as defined under the SFO, being the financial adviser to the Offeror
“Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 24 February 2017 entered into between the Vendors and the Offeror for the sale and purchase of the Sale Shares
“Sale Shares”	an aggregate of 600,000,000 Shares owned by the Vendors immediately prior to Completion, representing 75.00% of the total issued share capital of the Company as at the date of the Sale and Purchase Agreement and a “Sale Share” shall be construed accordingly
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of the Share(s)

“Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Vendor A”	Get Real Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and wholly owned by Mr. Wong
“Vendor B”	Dor Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and wholly owned by Mr. Tse
“Vendors”	collectively, Vendor A and Vendor B
“%”	per cent

**Steel Dust Limited**  
**Zhang Weijie**  
*Sole Director*

On behalf of the Board  
**Pak Wing Group (Holdings) Limited**  
**Wong Chin To**  
*Chairman*

Hong Kong, 6 March 2017

*As at the date of this joint announcement, the executive Directors are Mr. Wong Chin To, Mr. Tse Chun Kit, Mr. Lui Man Wah and Mr. Ee Kok Wai, Thomas; and the independent non-executive Directors are Mr. Wong Chi Shing, Mr. Lau Yik Lok and Mr. Yan Chun Fu.*

*The Directors (including Mr. Wong and Mr. Tse in their capacity as the ultimate beneficial owners of the Vendors) jointly and severally accept full responsibility for the accuracy of information contained in this joint announcement (other than any information relating to the Offeror) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Offeror or the sole director of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.*

*As at the date of this joint announcement, Mr. Zhang Weijie is the sole director of the Offeror.*

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