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Mars Development Limited
(incorporated in BVI with limited liability)

Megacore Development Limited
(incorporated in BVI with limited liability)



HNA Technology Investments Holdings Limited
海航科技投資控股有限公司
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 2086)

JOINT ANNOUNCEMENT

**(1) AGREEMENT IN RELATION TO
THE SALE AND PURCHASE OF SHARES IN
HNA ECOTECH PIONEER ACQUISITION;
(2) MANDATORY UNCONDITIONAL CASH OFFER BY
HOORAY SECURITIES LIMITED
ON BEHALF OF
THE JOINT OFFERORS TO ACQUIRE ALL THE ISSUED SHARES OF
HNA TECHNOLOGY INVESTMENTS HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED BY THE JOINT OFFERORS
AND PARTIES ACTING IN CONCERT WITH ANY OF THEM);
AND
(3) RESUMPTION OF TRADING**

Financial adviser to the Joint Offerors



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



First Capital International Finance Limited

THE TRANSACTION

The Company was informed by the Joint Offerors that on 12 January 2022 (before trading hours), the Joint Offerors and the Vendor entered into the SPA, pursuant to which the Vendor agreed to sell, and the Joint Offerors agreed to acquire the Sale Shares and the Shareholder's Loan at nominal consideration of HK\$1.00 (taking into account the PF Loan and the ZZ Loans). Completion took place on 12 January 2022.

Prior to the Completion, the Target Company held 238,889,669 Shares, representing approximately 74.75% of the issued Shares as at the date of this joint announcement. Immediately after Completion and as at the date of this joint announcement, the Target Company is held by Mars Development as to 60% and Megacore Development as to 40% and, as a result, the Joint Offerors collectively are the controlling Shareholders, indirectly holding in aggregate approximately 74.75% of the issued Shares.

MANDATORY UNCONDITIONAL CASH OFFER

Immediately prior to Completion, the Joint Offerors and the Joint Offerors' Concert Parties had no interest in the Shares (save for the security interest of Premium Financial under the Existing Share Charge over the 238,889,669 Shares held by the Target Company) and have not dealt in any securities of the Company in the six (6) months preceding the commencement of the Offer Period and up to the date of this announcement. Immediately after Completion, the Joint Offerors are in aggregate indirectly interested in 238,889,669 Shares (through their respective interests held in the Target Company), representing approximately 74.75% of the total issued share capital of the Company. In accordance with Rule 26.1 of the Takeovers Code, upon Completion, the Joint Offerors are required to make a mandatory unconditional cash offer for the Offer Shares, being all the issued Shares other than those Shares already owned by the Joint Offerors and the Joint Offerors' Concert Parties.

Pursuant to Note 8 to Rule 26.1 and Practice Note 19 to the Takeovers Code, a chain principle offer was triggered and as explained in the section headed "Mandatory Unconditional Cash Offer" in this joint announcement, the effective acquisition price of each Share under the Transaction is approximately HK\$0.8372.

Terms of the Offer

Hooray Securities will make the Offer on behalf of the Joint Offerors in compliance with the Takeovers Code on the following basis:

For each Offer Share HK\$0.84 in cash

The Offer Price of HK\$0.84 per Offer Share is approximately equal to but not lower than the effective acquisition price per effective acquisition Share paid by the Joint Offerors under the Transaction.

The Offer is unconditional in all aspects when it is made and will not be conditional upon acceptances being received in respect of a minimum number of Shares or other conditions.

The Joint Offerors will acquire the Shares tendered for acceptance by the Shareholders in accordance with the Ownership Percentage and the terms of the Offer. Each of the Joint Offerors will pay for the Shares tendered under the Offer according to the Ownership Percentage.

Total value of the Offer

As at the date of this joint announcement, there are 319,564,892 Shares in issue and there are no outstanding options, warrants, derivatives or convertible/exchangeable securities which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into Shares.

On the basis of the Offer Price of HK\$0.84 per Offer Share, all the issued Shares would be valued at approximately HK\$268.43 million.

Excluding the 238,889,669 Shares, representing approximately 74.75% of the issued Shares, already owned or agreed to be acquired by the Joint Offerors and the Joint Offerors' Concert Parties and assuming there is no change in the share capital of the Company from the date of this joint announcement to the close of the Offer, the Offer will be extended to 80,675,223 Offer Shares, representing approximately 25.25% of the issued Shares, and the value of the Offer will be approximately HK\$67,767,187.

Confirmation of financial resources available to the Joint Offerors

Based on the Offer Price of HK\$0.84 per Offer Share and 80,675,223 Offer Shares, the total maximum consideration of the Offer will be approximately HK\$67,767,187 (assuming the Offer is accepted in full and there is no change in the share capital of the Company from the date of this joint announcement to the close of the Offer).

The Joint Offerors have maintained the Joint Offerors Securities Cash Account with Hooray Securities, with a balance of HK\$69,000,000 in cash (i.e. the MGO Funds) since 7 December 2021, for the sole purpose of satisfying the consideration, stamp duty and brokerage commission payable by the Joint Offerors in respect of acquiring the Offer Shares. The MGO Funds were advanced, or procured to be advanced, by the Joint Offerors in accordance with the Ownership Percentage, whereby (i) HK\$41,400,000 (representing 60% of the total MGO Funds) was provided by Mars Development through a shareholder's loan from Mars Enterprise and Mr. Mai; and (ii) HK\$27,600,000 (representing 40% of the total MGO Funds) was provided by Megacore Development through a shareholder's loan from Mr. Zhang personally, which was made available under a loan of HK\$27,000,000 from Henter Finance to Mr. Zhang. As such, the amount standing in the Joint Offerors Securities Cash Account is sufficient to satisfy full acceptance of the Offer (including the stamp duty and brokerage commission payable) of HK\$68,024,702 (subject to rounding).

As such, Hooray Capital, the financial adviser to the Joint Offerors, is satisfied that sufficient financial resources are, and will continue to be, available to the Joint Offerors to satisfy the total maximum consideration payable upon full acceptance of the Offer.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee, comprising three (3) independent non-executive Directors, namely, Mr. Guo Dan, Dr. Lin Tat Pang and Ms. O Wai, has been formed to make 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. Shum Ngok Wa, a non-executive Director, is a vice-president and a director of Premium Financial, which is presumed to be acting in concert with the Joint Offerors under class (9) of the definition of “acting in concert” under the Takeovers Code and is considered to have material interests in the Offer. Therefore, Mr. Shum Ngok Wa shall not be a member of the Independent Board Committee.

First Capital International Finance Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Offer and as to its acceptance. The appointment of the Independent Financial Adviser has been approved by the Independent Board Committee.

DESPATCH OF COMPOSITE DOCUMENT

It is the intention of the Joint Offerors and Company to combine the offer document and the offeree board circular into the Composite Document, which will contain, amongst other things, (i) details of the Offer; (ii) a letter of advice from the Independent Board Committee to the Independent Shareholders; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee in respect of the Offer, together with the relevant form of acceptance.

Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document is required to be despatched to the Shareholders within 21 days of the date of this joint announcement or such later date as the Executive may approve. The Composite Document will be despatched to the Shareholders in accordance with the requirements of the Takeovers Code.

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 12 January 2022 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 13 January 2022.

WARNING

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

Shareholders and potential investors of the Company are advised to exercise extreme caution when dealing in the Shares, and if they are in any doubt about their positions, they should consult their professional advisers.

THE TRANSACTION

The Company was informed by the Joint Offerors that on 12 January 2022 (before trading hours), the Joint Offerors and the Vendor entered into the SPA, pursuant to which the Vendor agreed to sell, and the Joint Offerors agreed to acquire the Sale Shares and the Shareholder's Loan at nominal consideration of HK\$1.00 (taking into account the PF Loan and the ZZ Loans). Completion took place on 12 January 2022.

Prior to Completion, the Target Company held 238,889,669 Shares, representing approximately 74.75% of the issued Shares as at the date of this joint announcement. Immediately after Completion and as at the date of this joint announcement, the Target Company is held by Mars Development as to 60% and Megacore Development as to 40% and, as a result, the Joint Offerors collectively are the controlling Shareholders, indirectly holding in aggregate approximately 74.75% of the issued Shares.

Date

12 January 2022

Parties

- (i) HNA Technology Group, as the Vendor
- (ii) Mars Development, an investment holding company incorporated in BVI with limited liability, and indirectly wholly-owned by Mr. Mai, as one of the purchasers
- (iii) Megacore Development, an investment holding company incorporated in BVI with limited liability, and indirectly wholly-owned by Mr. Zhang, as one of the purchasers

Subject matter

- (1) The Sale Shares, being 500,000 shares in the Target Company, representing 100% of the total issued share capital of the Target Company as at the date of this joint announcement; and

- (2) the Shareholder's Loan, in the outstanding amount of HK\$566,000,000 as at the date of this joint announcement, representing all sums for which the Target Company is indebted to the Vendor.

Pursuant to the SPA, the Joint Offerors agreed to acquire the Sale Shares and the Shareholder's Loan according to the Ownership Percentage in the following manner:

- (i) Mars Development agreed to acquire 300,000 Sales Shares (representing 60% of the total issued share capital of the Target Company) and the Shareholder's Loan in the amount of HK\$339,600,000 at the cash consideration of HK\$0.6; and
- (ii) Megacore Development agreed to acquire 200,000 Sales Shares (representing 40% of the total issued share capital of the Target Company) and the Shareholder's Loan in the amount of HK\$226,400,000 at the cash consideration of HK\$0.4.

The Sale Shares and the Shareholder's Loan were acquired by the Joint Offerors free from encumbrances and together with all rights and entitlements which the Vendor had in respect of the Sale Shares and the Shareholder's Loan as at the date of the SPA.

Consideration for the Sale Shares and the Shareholder's Loan

The consideration for the Transaction was HK\$1.00.

The consideration was on normal commercial terms and arrived at after arm's length negotiations between the Joint Offerors and the Vendor having regard to, among others, (i) the outstanding indebtedness in respect of the PF Loan immediately prior to Completion (and prior to First Mandatory Prepayment of HK\$20,000,000 in accordance with the Third Supplemental Agreement) in the amount of HK\$195,000,000; and (ii) the aggregate outstanding indebtedness under the ZZ Loans of HK\$25,000,000 (comprising (i) the ZZ Loan 1 of HK\$5,000,000; and (ii) the ZZ Loan 2 of HK\$20,000,000). For further details of the PF Loan and the ZZ Loans, please refer to the section headed "Shareholder's Loan, PF Loan and the ZZ Loans" below.

The consideration of HK\$1.00 has been fully paid and settled at Completion.

Completion took place on 12 January 2022. Immediately following Completion, the Vendor ceased to have any interest in the Sales Shares and in the Company.

Shareholder's Loan, the PF Loan and the ZZ Loans

As at the date of this joint announcement, the outstanding indebtedness owed by Target Company include (i) the Shareholder's Loan; (ii) the PF Loan; and (iii) the ZZ Loans.

Background of the Shareholder's Loan

According to the unaudited management account of the Target Company, the Target Company owed a Shareholder's Loan to the Vendor in the outstanding amount of approximately HK\$566,000,000 as at the date of this joint announcement. At Completion, by way of a deed of assignment, the Vendor assigned all the rights in the Shareholder's Loan in favour of the Joint Offerors at nominal consideration.

Background of the PF Loan

On 27 August 2019, the Target Company, the Vendor and Premium Financial entered into the PF Loan Agreement, pursuant to which Premium Financial has agreed to provide the PF Loan for a term of twelve (12) months. The PF Loan has been secured by (i) a charge provided by the Target Company over the 238,889,669 Shares; and (ii) a corporate guarantee provided by the Vendor. On 28 August 2019, a principal amount of HK\$250,000,000 was drawn down. According to the PF Loan Agreement, the Target Company was required to repay the PF Loan in full on 27 August 2020.

On 27 August 2020, the Target Company, the Vendor and Premium Financial entered into a supplemental loan agreement, pursuant to which Premium Financial has agreed to extend the repayment date of the PF Loan to 27 August 2021 conditional upon the partial repayment of the principal amount of HK\$50,000,000 by the Target Company, financed by way of shareholder's loan by the Vendor to the Target Company, to Premium Financial. As a result of such partial repayment by the Target Company on 28 August 2020, the principal amount of the PF Loan was reduced to HK\$200,000,000.

On 27 August 2021, the Target Company, the Vendor and Premium Financial entered into a second supplemental loan agreement, pursuant to which Premium Financial has agreed to further extend the repayment date of the PF Loan to 27 February 2022, conditional upon the partial repayment of the principal amount of HK\$5,000,000 by the Target Company to Premium Financial which was made on 27 August 2021.

Since the Vendor and the Target Company indicated that they were unable to obtain the necessary funds with respect to the HK\$5,000,000 from their internal resources, Zhong Zhao agreed to provide the ZZ Loan 1 in the amount of HK\$5,000,000 on 26 August 2021 for the purpose of facilitating the extension of the term of the PF Loan. Zhong Zhao is a direct wholly-owned company of Mr. Zhang and is the legal and beneficial owner of the entire issued share capital of Megacore International (which in turn is the legal and beneficial owner of the entire issued share capital of Megacore Development).

As a result of such partial repayment on 27 August 2021 by the Target Company utilising the funds made available to it by Zhong Zhao through the ZZ Loan 1, the principal amount of the PF Loan was further reduced to HK\$195,000,000.

In addition, the Third Supplemental Agreement was entered into on 12 January 2022 (immediately after Completion having taken place) among, inter alia, Premium Financial, the Target Company, the Joint Offerors, Mr. Mai and Mr. Zhang for the purpose of, among others (a) revising the security and guarantee package to the PF Loan in light of the Transaction; and (b) further extending the repayment date of the PF Loan to the date falling twelve (12) months after the date of the SPA (i.e. to 12 January 2023).

Pursuant to the Third Supplemental Agreement, the parties have agreed that, *inter alia*:

- (i) the Target Company shall prepay the PF Loan in the aggregate principal amount of not less than HK\$87,000,000, together with all accrued unpaid interest (if any), in the following manners:
 - (a) the First Mandatory Prepayment in the principal amount of HK\$20,000,000, together with all accrued unpaid interest (if any), shall be made on the date of the Third Supplemental Agreement;
 - (b) the Second Mandatory Prepayment in the principal amount of not less than HK\$50,000,000, together with all accrued unpaid interest (if any), shall be made on the Second Mandatory Prepayment Date. The outstanding principal amount of the PF Loan following the First Mandatory Prepayment and Second Mandatory Prepayment will not exceed HK\$125,000,000; and
 - (c) Subsequent Mandatory Prepayment(s) will be made in such principal amounts as would result in the outstanding principal amount to be reduced to not exceeding HK\$108,000,000. Such Subsequent Mandatory Prepayment(s) together with all accrued unpaid interest (if any), shall be made either the earlier of, (I) (in the event that the Public Float Requirement is met following the Last Offer Acceptance Date) on the business day immediately after the Last Offer Acceptance Date; or (II) (in the event that the Public Float Requirement is not restored following the Last Offer Acceptance Date) on the business day immediately after each Public Float Restoration Transaction Date;
- (ii) all present and future, actual or contingent, moneys, debts and liabilities due, owing or incurred by the Target Company to all or any of, among others, the Joint Offerors Obligor (including, without limitation, the Shareholder's Loan and the ZZ Loans) shall be subordinated to the PF Loan and assigned by way of security in favour of Premium Financial, and the relevant Joint Offerors Obligor (as subordinated creditors), the Target Company (as subordinated debtor) and Premium Financial shall enter into the Subordination and Assignment Deed as additional security for the PF Loan;
- (iii) the Guarantees, comprising corporate guarantee and personal guarantees, shall be given by the Joint Offerors Obligor respectively on a joint and several basis in favour of Premium Financial as additional security for the PF Loan;
- (iv) the Joint Offerors as chargors and Premium Financial as chargee shall enter into the Joint Offerors Share Charges as additional security for the PF Loan; and
- (v) the further extension of the repayment date of the PF Loan to 12 January 2023 shall only become effective upon, among other things:
 - (a) the Target Company having duly made the First Mandatory Prepayment and the Second Mandatory Prepayment to Premium Financial, such that the outstanding principal amount of the PF Loan will not exceed HK\$125,000,000;

- (b) the Target Company having duly prepaid interest on the PF Loan for the interest period of one (1) month immediately following the date on which the further extension of the repayment date of the PF Loan becoming effective in accordance with the Third Supplemental Agreement;
- (c) Premium Financial having granted its consent pursuant to the PF Loan Agreement for the Transaction, and the Target Company having duly completed the Transaction in accordance with the terms and conditions of the SPA and such consent of Premium Financial;
- (d) the Joint Offerors having deposited at least HK\$69,000,000 into the Joint Offerors Securities Cash Account;
- (e) Premium Financial having duly received the executed agreements for the Subordination and Assignment Deed, the Guarantees, the Joint Offerors Share Charges and other ancillary documents;
- (f) Premium Financial having been satisfied in all aspects at its sole and absolute discretion with the results of the review of the legal, financial and operations of the Joint Offerors Obligor and its affiliates, the Vendor, the Target Company and the Group, and other incidental matters as Premium Financial may consider appropriate;
- (g) the Target Company having reimbursed for all costs and expenses incurred by Premium Financial (including all costs and expenses incurred by its legal advisers) in relation to the negotiation, preparation and execution of the Third Supplemental Agreement and other relevant or ancillary agreements and documents on the date of the Third Supplemental Agreement, being the outstanding amount of approximately HK\$900,000 as at the date of this joint announcement;
- (h) the Target Company, each of the Joint Offerors Obligor and Premium Financial having obtained and maintained all authorisations for the entry into, execution, delivery and performance of the Third Supplemental Agreement and other relevant or ancillary agreements and documents, and such authorisations not having been amended, superseded or revoked; and
- (i) the representations and warranties given by the Joint Offerors Obligor and the Target Company are true, accurate and complete and not misleading.

The Subordination and Assignment Deed, the Guarantees and the Joint Offerors Share Charges were entered into on 12 January 2022 (after Completion having taken place).

Pursuant to the Third Supplemental Agreement and the Joint Offerors Share Charges, the financial resources made available by the Joint Offerors for the Offer and the Shares to be acquired by the Joint Offerors shall be arranged and dealt with in the following manner:

- (i) on or prior to the date of the Third Supplemental Agreement, the Joint Offerors shall deposit the MGO Funds of not less than HK\$69,000,000 into the Joint Offerors Securities Cash Account;
- (ii) during the Offer Period, the MGO Funds shall be used for the sole purpose of settling any consideration, stamp duty and brokerage commission in respect of acceptances of the Offer;
- (iii) the Joint Offerors Securities Cash Account shall be charged by the Joint Offerors in favour of Premium Financial as continuing security for the PF Loan. However, the charge provides for outflow of MGO Funds for the purposes of the Offer in accordance with the terms thereof, as further disclosed in the section headed “Confirmation of financial resources available to the Joint Offerors” below;
- (iv) all the MGO Acquired Shares shall be charged by the Joint Offerors in favour of Premium Financial as continuing security for the PF Loan;
- (v) upon the close of the Offer:
 - (a) the Joint Offerors shall utilise all the MGO Remaining Funds within specified time for settling the Second Mandatory Prepayment with Premium Financial;
 - (b) in the event that the Public Float Requirement is met, the MGO Remaining Funds would also be utilised for settling the Subsequent Mandatory Prepayment with Premium Financial on the same day as the Second Mandatory Prepayment;
 - (c) in the event that the Public Float Requirement is not met or restored, (1) the MGO Remaining Funds shall be utilised as part payment of the Subsequent Mandatory Prepayment; and (2) the Joint Offerors shall dispose of or place MGO Acquired Shares to members of the public to restore the minimum public float of the Company (provided that the Joint Offerors shall not, unless with the prior written consent of Premium Financial, dispose of or place any Share at a price less than the Offer Price), and the net proceeds shall be utilised as part payment of the Subsequent Mandatory Prepayment;
- (vi) the prepayment of the First Mandatory Prepayment, Second Mandatory Prepayment and all Subsequent Mandatory Prepayment(s) shall result in the aggregate outstanding principal amount of the PF Loan to be reduced to not exceeding HK\$108,000,000; and
- (vii) all indebtedness due from the Target Company to the Joint Offerors Obligors or any of its affiliates (including, without limitation, the funds made available by the Joint

Offerors to the Target Company as shareholders' loans for financing the First Mandatory Prepayment, the Second Mandatory Prepayment and the Subsequent Mandatory Prepayment(s)) shall be subordinated to the PF Loan and assigned by way of security in favour of Premium Financial.

Immediately prior to Completion, the outstanding principal amount of the PF Loan was HK\$195,000,000. Immediately after Completion, the First Mandatory Prepayment has been duly made by the Target Company to Premium Financial, which was financed by way of the ZZ Loan 2 made available to it by Zhong Zhao. Immediately after such First Mandatory Prepayment, the outstanding principal amount of the PF Loan reduced to HK\$175,000,000.

Pursuant to the terms of the PF Loan, the Target Company shall prepay interest on the PF Loan for each interest period on the first day of such interest period. In respect of the interests accrued and payable prior to Completion, as confirmed by the Vendor, the Target Company has prepaid the interest amount in full to Premium Financial in accordance with the terms of the PF Loan, and neither the Vendor nor the Target Company is aware of any occurrence of event of default under the PF Loan prior to Completion. In addition, pursuant to the SPA, the Vendor unconditionally and irrevocably undertakes to the Joint Offerors that it shall indemnify the Joint Offerors for any direct and indirect losses, damages, costs and liabilities in relation to any breach or non-compliance with the terms, conditions, undertakings and obligations under the PF Loan prior to Completion. As such, the payment obligation for interests and penalties accrued on the PF Loan prior to Completion (if any) would effectively be borne by the Vendor.

Assuming the Second Mandatory Prepayment in the principal amount of HK\$50,000,000 and Subsequent Mandatory Prepayment(s) in the aggregate principal amount of HK\$17,000,000 are made, the outstanding principal amount of the PF Loan would be HK\$108,000,000. Hence, the Guarantees provided by the Joint Offerors Obligor on a joint and several basis, being parties acting in concert, in relation to the PF Loan after the Second Mandatory Prepayment and Subsequent Mandatory Prepayment(s) would effectively be with regard to the then outstanding principal amount of HK\$108,000,000 and the interest that may be accrued on the PF Loan in accordance with its terms.

Upon Completion:

- (a) the Existing Share Charge provided by the Target Company in favour of Premium Financial by way of first fixed charge as security for the PF Loan over all the 238,889,669 Shares, representing 74.75% of the issued Shares as at the date of this joint announcement, held by it shall continue in full force and effect; and
- (b) the existing corporate guarantee provided by the Vendor in favour of Premium Financial shall continue in full force and effect, and such corporate guarantee will only be released upon, among other things, (i) the First Mandatory Prepayment, Second Mandatory Prepayment and all Subsequent Mandatory Prepayment(s) having been paid in full; and (ii) the Company having met the Public Float Requirement after completion of the Offer.

In the event the Joint Offerors or the Target Company fail to make the Second Mandatory Prepayment and the Subsequent Mandatory Prepayment(s) accordingly, the PF Loan will not be further extended and would be due on 27 February 2022. In addition, the Vendor will continue to bear the repayment obligation and liabilities under the PF Loan by virtue of the existing corporate guarantee provided by it in favour of Premium Financial. Pursuant to the SPA, the Joint Offerors agreed to fully indemnify the Vendor for all losses and damages that it may be claimed by Premium Financial as a result of any non-fulfillment by the Joint Offerors of their obligations under the Third Supplemental Agreement.

Background of the ZZ Loans

As at the date of this joint announcement, the aggregate outstanding principal amount in respect of the ZZ Loans (being unsecured interest-free loans granted by Zhong Zhao to the Target Company) is HK\$25,000,000 (representing the aggregate of the ZZ Loan 1 of HK\$5,000,000 and the ZZ Loan 2 of HK\$20,000,000).

As described hereinabove, (i) the sole purpose of the ZZ Loan 1 was to finance the Target Company to meet the partial repayment of the principal amount of HK\$5,000,000 for the extension of the term of the PF Loan from 27 August 2021 to 27 February 2022; and (ii) the sole purpose of the ZZ Loan 2 was to finance the Target Company to meet the prepayment obligation of the First Mandatory Prepayment under the Third Supplemental Agreement.

Save for the SPA and the Third Supplemental Agreement, there are no other understanding or arrangement between the Vendor and parties acting in concert with it on the one hand, and the Joint Offerors and the Joint Offerors' Concert Parties on the other hand, in respect of the assignment or repayment of the Shareholder's Loan.

DEED OF CONCERT PARTIES

On 12 January 2022, Mr. Mai and Mr. Zhang entered into the Deed of Concert Parties for the purposes of regulating (i) the arrangement between them in respect of the Transaction; (ii) the conduct and implementation of the Offer; and (iii) the arrangement between them concerning the management of the Group upon completion of the Offer.

Pursuant to the Deed of Concert Parties, Mr. Mai and Mr. Zhang agreed to, and agreed to procure Mars Development and Megacore Development to, among others:

- (i) cast unanimous vote collectively for or against all board resolutions or shareholders' resolutions to be passed at any board meetings or shareholders' meeting of the Target Company and companies in the Group;
- (ii) maintain and centralise ultimate control and management with respect to the companies in the Group by way of mutual cooperation;

- (iii) acquire the Sale Shares and the Shareholder's Loan in accordance with the Ownership Percentage (i.e. 60% and 40% in respect of Mars Development and Megacore Development);
- (iv) assume joint and several liabilities for the outstanding indebtedness of the PF Loan upon completion of the Transaction by providing such securities and guarantees as may be mutually agreed with Premium Financial, provided that Mr. Mai and Mr. Zhang shall apportion such liabilities among themselves pro rata to the Ownership Percentage;
- (v) deposit all the Shares to be acquired by the Joint Offerors under the Offer into securities cash accounts in the joint names of the Joint Offerors held with Hooray Securities, and charge, assign by way of security or otherwise deal with such Shares and the rights, title and interest in such securities cash accounts in favour of Premium Financial in accordance with the terms of the Third Supplemental Agreement or other relevant documents contained therein (i.e. executing the Joint Offeror Share Charges in favour of Premium Financial);
- (vi) advance sufficient cash in immediately available funds in time in accordance with the Ownership Percentage for settlement of the consideration of the Offer; and
- (vii) in the event that as a result of the Offer, the Company no longer complies with the minimum public float requirement under Rule 8.08 of the Listing Rules as imposed or modified by the Stock Exchange from time to time, each of Mr. Mai and Mr. Zhang undertakes to, and shall procure its respective Joint Offeror to undertake to, restore the minimum public float as soon as practicable by selling, or procuring its respective Joint Offeror to sell, to members of the public a sufficient number of Shares to restore the minimum public float on terms mutually agreed and in the proportion equal to their Ownership Percentage, provided that if the Shares held by any of them or its affiliates form part of the public float of the Company at the relevant time, such party and its Joint Offeror shall not be required to comply with this paragraph.

MANDATORY UNCONDITIONAL CASH OFFER

Immediately prior to Completion, the Joint Offerors and the Joint Offerors' Concert Parties had no interest in the Shares (save for the security interest of Premium Financial under the Existing Share Charge over the 238,889,669 Shares held by the Target Company) and have not dealt in any securities of the Company in the six (6) months preceding the commencement of the Offer Period and up to the date of this joint announcement. Immediately after Completion, the Joint Offerors are in aggregate indirectly interested in 238,889,669 Shares (through their respective interests held in the Target Company), representing approximately 74.75% of the total issued share capital of the Company. In accordance with Rule 26.1 of the Takeovers Code, upon Completion, the Joint Offerors are required to make a mandatory unconditional cash offer for the Offer Shares, being all the issued Shares other than those Shares already owned by the Joint Offerors and the Joint Offerors' Concert Parties.

Taking into account the aggregated consideration paid by and the Guarantees provided by the Joint Offerors Obligor for the purpose of the Transaction, which consists of (1) the ZZ Loan 1 of HK\$5,000,000; (2) the ZZ Loan 2 of HK\$20,000,000; (3) the aggregated financing for the Second Mandatory Prepayment and the Subsequent Mandatory Prepayment(s) in the amount of HK\$67,000,000; (4) the Guarantees to be assumed by the Joint Offerors Obligor for the principal amount of HK\$108,000,000 under the PF Loan (after the Second Mandatory Prepayment and Subsequent Mandatory Prepayment(s)); and (5) the consideration for the Sale Shares and the assignment of the Shareholder's Loan of HK\$1.00 under the SPA, the effective acquisition price of the Target Company is HK\$200,000,001.

Save and except for the above, the Joint Offerors confirm that no other payment (including but not limited to any unpaid interest or penalty associated with the PF Loan accrued before the date of Completion) was requested or paid for the purpose of the Transaction.

Save for the 238,889,669 Shares, representing approximately 74.75% of the issued Shares as at the date of this joint announcement and the bank balance in cash in the amount of approximately HK\$1.46 million based on the unaudited management account of the Target Company as at 31 December 2021, the Target Company does not hold any other significant assets. Pursuant to Note 8 to Rule 26.1 and Practice Note 19 to the Takeovers Code, a chain principle offer was triggered and based on the Pacpo Formula. Based on the information described hereinabove, the effective acquisition price of each Share under the Transaction (i.e. dividing HK\$200,000,001 by 238,889,669 Shares) is approximately HK\$0.8372.

In this regard, despite the transactions described hereinabove represent understandings, arrangements or special deals between the Vendor and parties acting in concert with it on the one hand, and the Joint Offerors and the Joint Offerors' Concert Parties on the other hand, such favorable conditions are effectively extended to all Shareholders in full amount under the Offer by way of adopting all the favorable conditions into the effective acquisition price of the Transaction.

Save and except of the above, there is no other understanding, arrangement or special deal between the Vendor and parties acting in concert with it on the one hand, and the Joint Offerors and the Joint Offerors' Concert Parties on the other hand, that represents a favourable condition that is not extended to all Shareholders, which would constitute a special deal under Rule 25 of the Takeovers Code and require the consent of the Executive.

Terms of the Offer

Hooray Securities will make the Offer on behalf of the Joint Offerors in compliance with the Takeovers Code on the following basis:

For each Offer ShareHK\$0.84 in cash

The Offer Price of HK\$0.84 per Offer Share is approximately equal to but not lower than the effective acquisition price per effective acquisition Share paid by the Joint Offerors under the Transaction.

The Offer is unconditional in all aspects when it is made and will not be conditional upon acceptances being received in respect of a minimum number of Shares or other conditions.

The Joint Offerors will acquire the Shares tendered for acceptance by the Shareholders in accordance with the Ownership Percentage and the terms of the Offer. Each of the Joint Offerors will pay for the Shares tendered under the Offer according to the Ownership Percentage.

The Offer Price

The Offer Price of HK\$0.84 per Offer Share represents:

- (i) a discount of approximately 25.66% over the closing price of HK\$1.13 per Share as quoted on the Stock Exchange on 11 January 2022, being the Last Trading Day;
- (ii) a discount of approximately 24.32% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day of approximately HK\$1.11 per Share;
- (iii) a discount of approximately 20.00% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day of approximately HK\$1.05 per Share;
- (iv) a discount of approximately 17.65% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the thirty (30) consecutive trading days up to and including the Last Trading Day of approximately HK\$1.02 per Share;
- (v) a discount of approximately 14.29% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the sixty (60) consecutive trading days up to and including the Last Trading Day of approximately HK\$0.98 per Share;
- (vi) a premium of approximately 162.50% to the audited consolidated net asset value per Share attributable to the Shareholders of approximately HK\$0.32 per Share as at 31 December 2020, calculated based on the Group's audited consolidated net assets attributable to the Shareholders of approximately HK\$101.32 million as at 31 December 2020 and 319,564,892 Shares in issue as at the date of this joint announcement; and
- (vii) a premium of approximately 189.66% to the unaudited consolidated net asset value per Share attributable to the Shareholders of approximately HK\$0.29 as at 30 June 2021, calculated based on the Group's unaudited consolidated net assets attributable to the Shareholders of approximately HK\$91.97 million as at 30 June 2021 and 319,564,892 Shares in issue as at the date of this joint announcement.

Highest and lowest Share prices

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the six-month period immediately preceding the date of this joint announcement were HK\$1.14 per Share on 10 January 2022 and HK\$0.56 per Share on 27 July 2021, 30 July 2021 and 24 August 2021, respectively.

Total value of the Offer

As at the date of this joint announcement, there are 319,564,892 Shares in issue and there are no outstanding options, warrants, derivatives or convertible/exchangeable securities which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into Shares.

On the basis of the Offer Price of HK\$0.84 per Offer Share, all the issued Shares would be valued at approximately HK\$268.43 million.

Excluding the 238,889,669 Shares, representing approximately 74.75% of the issued Shares, already owned or agreed to be acquired by the Joint Offerors and the Joint Offerors' Concert Parties and assuming there is no change in the share capital of the Company from the date of this joint announcement to the close of the Offer, the Offer will be extended to 80,675,223 Offer Shares, representing approximately 25.25% of the issued Shares, and the value of the Offer will be approximately HK\$67,767,187.

Based on the Offer Price of HK\$0.84 per Offer Shares and total number of Offer Shares of 80,675,223, the maximum gross amount required to satisfy full acceptance of the Offer would be HK\$67,767,187 (subject to rounding). As such, based on the prevailing rate of stamp duty of 0.13% and the customary brokerage commission rate chargeable by Hooray Securities, the maximum amount of stamp duty and brokerage commission payable by the Offeror would be approximately HK\$88,097 (subject to rounding) and HK\$169,418 (subject to rounding) respectively. As such, the maximum total amount required to satisfy full acceptance of the Offer including the stamp duty and brokerage commission payable would be HK\$68,024,702 (subject to rounding).

Confirmation of financial resources available to the Joint Offerors

Based on the Offer Price of HK\$0.84 per Offer Share and 80,675,223 Offer Shares, the total maximum consideration of the Offer will be approximately HK\$67,767,187 (assuming the Offer is accepted in full and there is no change in the share capital of the Company from the date of this joint announcement to the close of the Offer).

The Joint Offerors have maintained the Joint Offerors Securities Cash Account with Hooray Securities, with a balance of HK\$69,000,000 in cash (i.e. the MGO Funds) since 7 December 2021, for the sole purpose of satisfying the consideration, stamp duty and brokerage commission payable by the Joint Offerors in respect of acquiring the Offer Shares. The MGO

Funds were advanced, or procured to be advanced, by the Joint Offerors in accordance with the Ownership Percentage, whereby (i) HK\$41,400,000 (representing 60% of the total MGO Funds) was provided by Mars Development through a shareholder's loan from Mars Enterprise and Mr. Mai; and (ii) HK\$27,600,000 (representing 40% of the total MGO Funds) was provided by Megacore Development through a shareholder's loan from Mr. Zhang personally, which was made available under a loan of HK\$27,000,000 from Henter Finance to Mr. Zhang. As such, the amount standing in the Joint Offerors Securities Cash Account is sufficient to satisfy full acceptance of the Offer (including the stamp duty and brokerage commission payable) of HK\$68,024,702 (subject to rounding).

Pursuant to the Joint Offerors Share Charges, the Joint Offerors, as security for the PF Loan, charged its rights, title and interest in the Joint Offerors Securities Cash Account in favour of Premium Financial. On 12 January 2022, the Joint Offerors, Premium Financial and Hooray Securities entered into the Custodian Agreement in relation to the Joint Offerors Securities Cash Account. Pursuant to the terms of the Joint Offerors Share Charge and the Custodian Agreement, the Joint Offerors and Premium Financial irrevocably authorised Hooray Securities to transfer such amount of cash standing to the credit of the Joint Offerors Securities Cash Account to satisfy any consideration, stamp duty and brokerage commission in respect of acceptances of the Offer in accordance to the payment instructions provided by the Hong Kong branch share registrar of the Company, and such undertaking cannot be unilaterally or jointly rescinded by, inter alia, the Joint Offerors and/or Premium Financial. In addition, such floating charge could only be crystallized into a fixed charge after (i) the business day immediately after the latest day for posting of remittances in respect of valid acceptances received under the Offer; or (ii) the Offer Withdrawal Date, whichever is earlier. As such, despite there is a floating charge over the Joint Offerors Securities Cash Account, the money therein (namely the MGO Funds) is not subject to any restrictions in respect of the Offer.

Premium Financial is presumed to be acting in concert with the Joint Offerors under Class (9) of the definition of "acting in concert" under the Takeovers Code. Premium Financial has confirmed that neither Premium Financial nor the parties acting in concert with it (i) has dealt in the Shares during the period of six (6) months preceding 11 November 2020 (being the date of commencement of the Offer Period) and up to the date of this joint announcement; or (ii) is a Shareholder as at the date of this joint announcement.

Henter Finance is presumed to be acting in concert with the Joint Offerors under class (9) of the definition of "acting in concert" under the Takeovers Code, and it has confirmed that it has not dealt in the Shares during the period of six (6) months preceding 11 November 2020 (being the date of commencement of the Offer Period) and up to the date of this joint announcement.

As such, Hooray Capital, the financial adviser to the Joint Offerors, is satisfied that sufficient financial resources are, and will continue to be, available to the Joint Offerors to satisfy the total maximum consideration payable upon full acceptance of the Offer.

Effect of accepting the Offer

Acceptance of the Offer by any Independent Shareholder will constitute a warranty by such person that all Offer Shares to be sold by such person under the Offer are fully paid and free from all encumbrances whatsoever together with all rights attached thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date of the Composite Document.

The Company confirms that as at the date of this joint announcement, (a) it has not declared any dividend, the record date of which falls on or after the expected date of despatch of the Composite Document; and (b) it does not have any intention to make, declare or pay any future dividend or make other distributions until after the close of the Offer. Furthermore, there was no dividend declared but unpaid as at the date of this joint announcement.

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

Independent Shareholders are reminded to read the recommendation of the Independent Board Committee and the advice of the Independent Financial Adviser in respect of the Offer which will be included in the Composite Document.

Hong Kong's stamp duty

Sellers' Hong Kong ad valorem stamp duty on acceptances of the Offer at a rate of 0.13% of the consideration payable in respect of the relevant acceptances or, if higher, the market value of the Shares subject to such acceptance, will be deducted from the amounts payable to the Independent Shareholders who accept the Offer.

The Joint Offerors will arrange for payment of sellers' ad valorem stamp duty on behalf of the Independent Shareholders who accept the Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Offer and the transfers of the relevant Offer Shares in accordance with the Stamp Duty Ordinance (Cap. 117 of the Laws of Hong Kong).

Taxation advice

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 Joint Offerors or the Joint Offerors' Concert Parties, the Company, Hooray Securities, Hooray Capital, the Independent Financial Adviser 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 (7) business days (as defined in the Takeovers Code) of the date on which the duly completed acceptances of the Offer and all relevant documents of title in respect of such acceptances are received by the Joint Offerors (or their agents acting on their behalf) to render each such acceptance complete and valid pursuant to the Takeovers Code.

Overseas Shareholders

The availability of the Offer to any Overseas Shareholders may be affected by the applicable laws and regulations of their relevant jurisdictions of residence. Overseas Shareholders should fully observe any applicable legal and regulatory requirements and, where necessary, consult their own professional advisers. It is the responsibilities 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).

Acceptance of the Offer by any Overseas Shareholders will be deemed to constitute a representation and warranty from such Overseas Shareholders to the Joint Offerors that all local laws and requirements have been complied with. The Overseas Shareholders should consult their professional advisers if in doubt.

INFORMATION ON THE JOINT OFFERORS

Mars Development

Mars Development is a limited liability company incorporated in the BVI and is an investment holding company. It is an investment vehicle of Mr. Mai incorporated for the purpose of acquiring interests in the Company through the SPA and the Offer, and has not engaged in any business activities since its incorporation on 2 June 2021. Mars Development is wholly owned by Mars Enterprise, a limited liability company incorporated in the BVI, principal business of which is investment holding. As at the date of this joint announcement, save and except for its investment in Mars Development, Mars Enterprise has no other material business or investments. Mr. Mai is interested in 100% of the share capital of Mars Enterprise.

Mr. Mai, aged 54, is the sole director and the sole ultimate beneficial owner of Mars Development. He is the vice chairman of Guangdong Hongfa Investment Group Co., Limited (廣東鴻發投資集團有限公司), a limited liability company based in Guangdong, PRC with a registered paid in capital of RMB161,600,000. It is focusing in, inter alia, properties development, financial services, healthcare, education and public area construction in the PRC (www.hongfagroup.net). Guangdong Hongfa Investment Group Co., Limited (廣東鴻發投資集團有限公司) is beneficially owned as to 20% by Mr. Mai and 80% by members of his family. In addition, Mr. Mai has a 90% interests in 廣州市皇稼農業科技有限公司 (Guangzhou Huangjia Agricultural Science Company Limited*) which is focusing in agriculture science research and development, and balance of the ownership is owned by an independent third party.

Megacore Development

Megacore Development is a limited liability company incorporated in the BVI and is an investment holding company. It is an indirect wholly-owned subsidiary of Zhong Zhao. It is an investment vehicle of Mr. Zhang incorporated for the purpose of acquiring interests in the Company through the SPA and the Offer, and has not engaged in any business activities since its incorporation on 22 January 2021. It is wholly owned by Megacore International, which is in turn wholly owned by Zhong Zhao. Mr. Zhang is interested in 100% of the issued share capital of Zhong Zhao. The principal business of each of Megacore International and Zhong Zhao is investment holding and they have no other material assets or investments save and except for described herein.

Mr. Zhang, aged 50, is the sole director and sole ultimate beneficial owner of Megacore Development. Mr. Zhang holds 90% interest in 廣東中兆實業集團有限公司 (Guangdong Zhong Zhao Industrial Group Company Limited*), a limited liability company based in Guangdong, PRC with a registered paid in capital of RMB 50,000,000. It is focusing in, inter alia, property investments and investments in industrial businesses. In addition, Mr. Zhang has a 15% beneficial interests in 廣州宇泰行數據科技有限公司 (Guangzhou Yutaixing Data Technology Co., Ltd.*) which is focusing in corporate data management business in the PRC, and balance of ownership is owned by independent third party.

Each of Mr. Mai, Mr. Zhang, Mars Enterprise, Megacore International and Zhong Zhao is a party acting in concert with the Joint Offerors.

Following Completion, the Joint Offerors are in aggregate indirectly interested in 238,889,669 Shares (through their respective interest held in the Target Company), representing approximately 74.75% of the total issued Shares as at the date of this joint announcement.

Save as disclosed above, the Joint Offerors and the Joint Offerors' Concert Parties do not hold any Shares or any other securities of the Company as at the date of this joint announcement.

PROPOSED CHANGE TO THE BOARD COMPOSITION

The Board is currently made up of five executive Directors, one non-executive Director and three independent non-executive Directors. The Joint Offerors intend to nominate new Directors to the Board in accordance with relevant requirements of the Takeovers Code, the Listing Rules or other applicable regulations. Any changes to the Board composition will be made in compliance with the Takeovers Code and the Listing Rules. As at the date of this joint announcement, the Joint Offerors have not reached any final decision as to who will be nominated as new Directors. Further announcement(s)/disclosure(s) will be made upon any changes to the composition to the Board in accordance with the requirements of the Listing Rules and the Takeovers Code as and when appropriate.

JOINT OFFERORS' INTERESTS IN SECURITIES OF THE COMPANY AND ADDITIONAL DISCLOSURES REQUIRED UNDER THE TAKEOVERS CODE

Upon Completion, the Joint Offerors are collectively interested in the entire issued share capital of the Target Company, which in turn is interested in an aggregate of 238,889,669 Shares, representing approximately 74.75% of the issued Shares. Save as disclosed above, each of the Joint Offerors confirms that:

- (i) save for a total of 238,889,669 Shares (representing approximately 74.75% of the issued Shares), none of the Joint Offerors or the Joint Offerors' Concert Parties owns or has control or direction over any voting rights or rights over the Shares or convertible securities, options, warrants or derivatives of the Company;
- (ii) there is no outstanding derivative in respect of securities in Company which is owned, controlled or directed by, or has been entered into by the Joint Offerors and/or any the Joint Offerors' Concert Parties;
- (iii) the Joint Offerors and the Joint Offerors' Concert Parties have not borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (iv) save for the Transaction, 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 Joint Offerors or the Shares and which might be material to the Offer;
- (v) there is no agreement or arrangement to which any of the Joint Offerors or the Joint Offerors' Concert Parties is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer;
- (vi) the Joint Offerors and the Joint Offerors' Concert Parties have not received any irrevocable commitment to accept or reject the Offer;

- (vii) save for the Third Supplemental Agreement and the Joint Offerors Share Charges (details of which are disclosed in section headed “Background of the PF Loan” of this joint announcement), there was no agreement, arrangement or understanding which may result in the securities of the Company to be acquired pursuant to the Offer being transferred, charged or pledged to any other persons;
- (viii) none of the Joint Offerors and the Joint Offerors’ Concert Parties have dealt in any Shares, options, derivatives, warrants or other securities convertible into Shares during the six-month period immediately prior to the commencement of the Offer Period;
- (ix) save for the Transaction, there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Joint Offerors or any of the Joint Offerors’ Concert Parties on the one hand, and the Vendor and parties acting in concert with it on the other hand;
- (x) there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (1) any Shareholder; and (2)(a) the Joint Offerors or any of the Joint Offerors’ Concert Parties; or (2)(b) the Company, its subsidiaries or associated companies; and
- (xi) save for the Transaction, there is no other consideration, compensation or benefit in whatever form paid or to be paid by the Joint Offerors or any of the Joint Offerors’ Concert Parties to the Vendor and parties acting in concert with it in respect of the Sale Shares.

INTENTION OF THE JOINT OFFERORS IN RELATION TO THE GROUP

Following the close of the Offer, it is the intention of the Joint Offerors that the Group will continue with its existing principal activities and maintain the employment of the existing employees of the Group including operational staff (except for the proposed changes to the members of the Board as set out in the section headed “Proposed Change to the Board Composition” above).

Leveraging on the experience of Mr. Mai and Mr. Zhang in business development and management and their respective investments in technology related companies of 廣州市皇稼農業科技有限公司(Guangzhou Huangjia Agricultural Science Company Limited*) and 廣州宇泰行數據科技有限公司(Guangzhou Yutaixing Data Technology Co., Ltd*), the Joint Offerors will continue to explore possible business opportunities appropriate to the Group’s business and operations with a view to enhance the value of the Group. It is also the business intention of the Joint Offerors to explore the feasibility of investing into technology based companies and to generate potential synergies among them. As at the date of this joint announcement, the Joint Offerors have not identified any particular target company(ies) and yet to have formulated any detailed plan in this regard. Upon the close of the Offer, the Joint Offerors will conduct a detailed review of the operations of the Group and formulate business strategies for the Group’s long term development.

As at the date of this joint announcement, no investment or business opportunities has been identified nor have the Joint Offerors entered into any agreement, arrangements, understandings or negotiation in relation to (a) the injection of any assets or business into the Group; or (b) the disposal of any assets or business of the Group, other than those conducted by the Company in its ordinary course of business and/or those which are immaterial in nature.

Save for the anticipated changes to the members of the Board as described in section headed “Proposed Change to the Board Composition” in this joint announcement above, the Joint Offerors have no intention to (i) discontinue the employment of any employees of the Group or change the composition of the board of the directors of the Group’s subsidiaries; (ii) redeploy the fixed assets of the Group other than those in its ordinary and usual course of business; or (iii) introduce any major changes in the existing operations and business of the Group, following the close of the Offer.

SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) immediately prior to Completion and (ii) immediately after Completion:

	Immediately prior to Completion		Immediately after Completion	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
Target Company	238,889,669	74.75	238,889,669	74.75
	<i>(Note 1)</i>		<i>(Note 2)</i>	
Public Shareholders	80,675,223	25.25	80,675,223	25.25
Total	<u>319,564,892</u>	<u>100.00</u>	<u>319,564,892</u>	<u>100.00</u>

Notes:

1. Immediately prior to Completion, the Target Company was wholly-owned by the Vendor, which in turn is held as to 100% by HNA EcoTech Group Co., Ltd.. HNA EcoTech Group Co., Ltd. is held as to 59.8% by HNA Group Co. Limited. HNA Group Co. Limited is held as to 70% by Hainan Traffic Administration Holding Co., Ltd.. Hainan Traffic Administration Holding Co., Ltd. is in turn held as to 50% by Sheng Tang Development (Yangpu) Co., Ltd.. Sheng Tang Development (Yangpu) Co., Ltd. is held as to 65% by Hainan Province Cihang Foundation and as to 35% by Tang Dynasty Development Co. Ltd.. Tang Dynasty Development Co. Limited is in turn 98% held by Pan-American Aviation Holding Company, which is wholly held by Cihang Sino-Western Cultural and Educational Exchange Foundation Limited. Under the SFO, the Vendor is deemed to be interested in the 238,889,669 Shares held by the Target Company.
2. Immediately after Completion, the Target Company is owned as to 60% and 40% by Mars Development and Megacore Development respectively. Mars Development is a direct wholly-owned subsidiary of Mars Enterprise, which in turn is wholly – owned by Mr. Mai. Megacore Development is a direct wholly-owned subsidiary of Megacore International, which in turn is a direct wholly-owned subsidiary of Zhong Zhao, which in turn is direct wholly-owned by Mr. Zhang. On 12 January 2022, Mr. Mai and Mr. Zhang entered into the Deed of Concert Parties to acknowledge and confirm their acting-in-concert relationship. Under the SFO, each of Mars Development, Megacore Development, Mars Enterprise, Megacore International, Zhong Zhao, Mr. Mai and Mr. Zhang is deemed to be interested in the 238,889,669 Shares held by the Target Company.

INFORMATION ON THE GROUP

The Company was incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange. The Group is principally engaged in providing development, sales and distribution of smart card products, software and hardware and related services.

Set out below is the summary of financial information of the Group for (i) six months ended 30 June 2020 and 2021 and (ii) the financial years ended 31 December 2019 and 2020 as extracted from the interim report of the Company for the six months ended 30 June 2020 and 2021 and the annual report of the Company for the year ended 31 December 2019 and 2020:

	For the six months ended		For the year ended	
	30 June		31 December	
	2021	2020	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)	(audited)	(audited)
Revenue	36,250	60,771	112,747	165,727
Loss before taxation	(10,280)	(648)	(19,903)	(7,034)
Loss for the period attributable to the equity of the Shareholders	(10,889)	(972)	(20,223)	(8,259)
	As at 30 June		As at 31 December	
	2021	2020	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)	(audited)	(audited)
Total assets	113,321	138,717	121,458	145,866
Total equity attributable to the equity Shareholders	91,973	117,101	101,318	118,783

INFORMATION ON THE VENDOR AND THE TARGET COMPANY

The Vendor is a company incorporated under the laws of the Hong Kong with limited liability and is an investment holding company.

The Target Company is a company incorporated under the laws of Cayman Islands with limited liability and is an investment holding company. Save for the 238,889,669 Shares, representing approximately 74.75% of the issued Shares as at the date of this joint announcement and the bank balance in cash in the amount of approximately HK\$1.46 million based on the unaudited management account of the Target Company as at 31 December 2021, the Target Company does not hold any other significant assets.

Prior to Completion, the Vendor indirectly owned all the issued shares in the Target Company, which in turn held approximately 74.75% of the issued Shares. After Completion, the Vendor ceased to hold any interest in the issued Shares.

INTENTION OF THE JOINT OFFERORS TO MAINTAIN THE LISTING OF THE COMPANY

The Joint Offerors intend the Company to remain listed on the Stock Exchange. The directors of the Joint Offerors and the new directors to be appointed to the Board of the Company will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Company's Shares. The Company and the Joint Offerors will issue a separate announcement as and when necessary in this regard.

The Stock Exchange has indicated that if, upon the close 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.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee, comprising three (3) independent non-executive Directors, namely, Mr. Guo Dan, Dr. Lin Tat Pang and Ms. O Wai, has been formed to make 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. Shum Ngok Wa, an non-executive Director, is a vice-president and a director of Premium Financial, which is presumed to be acting in concert with the Joint Offerors under class (9) of the definition of "acting in concert" under the Takeovers Code and is considered to have material interests in the Offer. Therefore, Mr. Shum Ngok Wa shall not be a member of the Independent Board Committee.

First Capital International Finance Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Offer and as to its acceptance. The appointment of the Independent Financial Adviser has been approved by the Independent Board Committee.

DESPATCH OF COMPOSITE DOCUMENT

It is the intention of the Joint Offerors and Company to combine the offer document and the offeree board circular into the Composite Document, which will contain, amongst other things, (i) details of the Offer; (ii) a letter of advice from the Independent Board Committee to the Independent Shareholders; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee in respect of the Offer, together with the relevant form of acceptance.

Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document is required to be despatched to the Shareholders within 21 days of the date of this joint announcement or such later date as the Executive may approve. The Composite Document will be despatched to the Shareholders in accordance with the requirements of the Takeovers Code.

DEALING DISCLOSURE

All associates (as defined under the Takeovers Code and include persons holding 5% or more of any class of relevant securities) of the Company and the Joint Offerors 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 of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

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

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

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 12 January 2022 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 13 January 2022.

WARNING

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

Shareholders and potential investors of the Company are advised to exercise extreme caution when dealing in the Shares, and if they are in any doubt about their positions, they should consult their professional advisers.

DEFINITIONS

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

“acting in concert”	has the meaning ascribed to it in the Takeovers Code
“associate(s)”	has the meaning ascribed to it in the Takeovers Code
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Company”	HNA Technology Investments Holdings Limited (海航科技投資控股有限公司), a company incorporated in Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	the completion of the Transaction
“Completion Date”	12 January 2022, the date on which the Completion took place
“Composite Document”	the composite offer document and response document to be jointly issued by the Joint Offerors and the Company in accordance with the Takeovers Code containing, among other things, details of the Offer, the recommendation from the Independent Board Committee to the Independent Shareholders and the advice from the Independent Financial Adviser in respect of the Offer
“Custodian Agreement”	the agreement dated 12 January 2022 entered into between the Joint Offerors, (as chargors), Premium Financial, (as chargee) and Hooray Securities (as custodian) in relation to the Joint Offerors Securities Cash Account
“Deed of Concert Parties”	the deed of concert parties dated 12 January 2022 entered into between Mr. Mai and Mr. Zhang, details of which are set out in the section headed “Deed of Concert Parties” in this joint announcement
“Director(s)”	director(s) of the Company

“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Existing Share Charge”	the charge dated 28 August 2019 entered into between the Target Company (as chargor) and Premium Financial (as chargee) pursuant to which the Target Company charged to Premium Financial all the 238,899,669 Shares (representing approximately 74.75% of the issued Shares as at the date of this joint announcement) owned by it in favour of Premium Financial by way of first fixed charge as security for the PF Loan
“First Mandatory Prepayment”	the prepayment of the PF Loan pursuant to the Third Supplemental Agreement in the principal amount of HK\$20,000,000, together with all accrued unpaid interest (if any), made by the Target Company to Premium Financial on the date of the Third Supplemental Agreement
“Group”	the Company and its subsidiaries from time to time
“Guarantees”	the corporate guarantee and personal guarantees provided by each of the Joint Offerors Obligor, each as guarantor, on a joint and several basis in relation to the repayment obligation of the Target Company under the PF Loan
“Henter Finance”	Henter Finance Limited (衡泰財務有限公司), a company incorporated in Hong Kong with limited liability and a licensed money lender in Hong Kong under the Money Lenders Ordinance (Cap. 163 of the Laws of Hong Kong)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Hooray Capital”	Hooray Capital Limited, a corporation licensed to carry out type 6 (advising on corporate finance) regulated activity under the SFO, being the financial adviser to the Joint Offerors in respect of the Offer
“Hooray Securities”	Hooray Securities Limited, a licensed corporation to carry out type 1 (dealing in securities) regulated activity under the SFO
“HT Loan”	the interest-bearing loan granted by Henter Finance to Mr. Zhang

“Independent Board Committee”	an independent committee of the Board comprising three (3) independent non-executive Directors, namely, Mr. Guo Dan, Dr. Lin Tat Pang and Ms. O Wai, established in accordance with the Takeovers Code to give recommendations to the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer
“Independent Financial Adviser”	First Capital International Finance Limited, a corporation licensed to carry out business in type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, which is appointed as 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 Joint Offerors and the Joint Offerors’ Concert Parties
“Joint Offerors”	collectively, Mars Development and Megacore Development, being the purchasers of the Sale Shares and the Shareholder’s Loan under the SPA and the joint offerors in relation to the Offer
“Joint Offerors’ Concert Parties”	party(ies) acting in concert and presumed to be acting in concert with the Joint Offerors as determined in accordance with the Takeovers Code (including Mars Enterprise, Megacore International, Zhong Zhao, Mr. Mai and Mr. Zhang, as well as Premium Financial and Henter Finance and their respective beneficial owners and/or parties acting in concert with any of them)
“Joint Offerors Obligors”	the Joint Offerors, Mars Enterprise, Megacore International, Zhong Zhao, Mr. Mai and Mr. Zhang
“Joint Offerors Securities Cash Account”	the securities cash account in the joint names of the Joint Offerors held with Hooray Securities Limited for (i) holding the MGO Funds; and (ii) receiving all MGO Acquired Shares
“Joint Offerors Share Charges”	the share charges dated 12 January 2022 entered into between the Joint Offerors (as chargors) and Premium Financial (as chargee) pursuant to which the Joint Offerors agreed to charge, among others, all MGO Acquired Shares and the Joint Offerors Securities Cash Account to Premium Financial as security for the PF Loan

“Last Offer Acceptance Date”	the last date of receipt of valid acceptances under the Offer as set out in the Composite Document (and any supplemental offer document thereof)
“Last Trading Day”	11 January 2022, being the last trading day of the Shares before publication of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the main board maintained and operated by the Stock Exchange
“Mars Development”	Mars Development Limited, a company incorporated in the BVI with limited liability, being one of the purchasers under the SPA and the Joint Offerors, as well as a direct wholly-owned subsidiary of Mars Enterprise
“Mars Enterprise”	Mars Enterprise Holdings Limited, a company incorporated in the BVI with limited liability, which is directly wholly-owned by Mr. Mai. It directly and wholly owns Mars Development
“Megacore Development”	Megacore Development Limited, a company incorporated in the BVI with limited liability, being one of the purchasers under the SPA and the Joint Offerors, as well as a direct wholly-owned subsidiary of Megacore International
“Megacore International”	Megacore International Innovation Limited, a company incorporated in the BVI with limited liability, and a direct wholly-owned subsidiary of Zhong Zhao. It directly and wholly owns Megacore Development
“MGO Acquired Shares”	any Shares that may be acquired by the Joint Offerors under the Offer
“MGO Funds”	the amount of not less than HK\$69,000,000, being the financial resources made available by the Joint Offerors for satisfying total maximum consideration, stamp duty and brokerage commission payable under the Offer
“MGO Remaining Funds”	all remaining cash in the Joint Offerors Securities Cash Account as at the Last Offer Acceptance Date, after deducting all remaining consideration, stamp duty and brokerage commission payable under the Offer

“Mr. Mai”	Mr. Mai Zhaoping (麥照平先生), the ultimate beneficial owner of Mars Enterprise and Mars Development
“Mr. Zhang”	Mr. Zhang Xueqin (張學勤先生), the ultimate beneficial owner of Zhong Zhao, Megacore International and Megacore Development
“Offer”	the mandatory unconditional cash offer to be made by Hooray Securities Limited for and on behalf of the Joint Offerors to acquire all the Offer Shares in accordance with the Takeovers Code
“Offer Period”	the period commencing from 11 November 2020, being the date of the announcement made by the Company pursuant to Rule 3.7 of the Takeovers Code, and ending on the final closing date of the Offer
“Offer Price”	the price at which the Offer will be made, being HK\$0.84 per Offer Share
“Offer Share(s)”	all the Share(s) in issue, other than those Shares already owned by the Joint Offerors and the Joint Offerors’ Concert Parties
“Offer Withdrawal Date”	the date the Offer is withdrawn by the Joint Offerors with the consent of the Executive pursuant to the Takeovers Code
“Ownership Percentage”	60% and 40% in respect of Mars Development and Megacore Development
“Overseas Shareholder(s)”	Independent Shareholder(s) whose address(es), as shown in the register of members of the Company, is (are) outside Hong Kong
“Pacpo Formula”	the pricing mechanism of a chain principle offer as described in Practice Note 19 issued by the Executive
“PF Loan”	the secured interest-bearing loan granted by Premium Financial to the Target Company in the outstanding principal amount of HK\$175,000,000 immediately after Completion and after the First Mandatory Prepayment, and as at the date of this joint announcement

“PF Loan Agreement”	the loan agreement dated 27 August 2019 entered into between the Target Company, Premium Financial and the Vendor in respect of the PF Loan (as amended and supplemented by the supplemental agreements dated 27 August 2020 and 27 August 2021 and the Third Supplemental Agreement)
“PRC”	the People’s Republic of China, but for the purpose of this joint announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Premium Financial”	Premium Financial Limited (永寶物業按揭有限公司), a company incorporated in Hong Kong with limited liability and a licensed money lender in Hong Kong under the Money Lenders Ordinance (Cap. 163 of the Laws of Hong Kong), and is beneficially wholly owned by Mr. Qiu Yong
“Public Float Requirement”	the requirement for at least 25% of the total issued shares of the Listco be held by the public at all times in compliance with Rule 8.08(1)(a) of the Listing Rules
“Public Float Restoration Transaction”	<p>in the event that as a result of the Offer, the Company does not meet the Public Float Requirement, and for so long as the Public Float Requirement is not restored:</p> <p>(a) each disposal of Shares by all or any of the Joint Offerors (or any of their affiliates) to any member of the public (as defined in the Listing Rules); or</p> <p>(b) each placing of Shares by a placing agent to be appointed by all or any of the Joint Offerors or any other person to any member of the public (as defined in the Listing Rules),</p> <p>which has the effect of reducing the equity interest of the Joint Offerors and its affiliates in the Company until the Public Float Requirement is restored</p>
“Public Float Restoration Transaction Date”	the business day notified by the Joint Offerors as the date on which the Public Float Requirement has been restored following completion of one or more Public Float Restoration Transaction(s) (which shall be a date falling no later than 30 days after the Last Offer Acceptance Date), or, failing such notification, a date designated by Premium Financial

“RMB”	Renminbi, the lawful currency in the PRC
“Sale Shares”	500,000 shares in the Target Company, representing the entire issued share capital of the Target Company
“Second Mandatory Prepayment”	the prepayment of the PF Loan pursuant to the Third Supplemental Agreement in the principal amount of not less than HK\$50,000,000, together with all accrued unpaid interest (if any), to be made by the Target Company to Premium Financial on the Second Mandatory Prepayment Date
“Second Mandatory Prepayment Date”	(i) the business day immediately after the Last Offer Acceptance Date; (ii) the Specified Date; or (iii) the business day immediately after the Offer Withdrawal Date, whichever is earlier
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Shareholder’s Loan”	the unsecured and interest-free shareholder’s loan owed by the Target Company to the Vendor in the outstanding amount of HK\$566,000,000 as at the date of this joint announcement
“SPA”	the sale and purchase agreement dated 12 January 2022 entered into between the Joint Offerors and the Vendor in respect of the Transaction
“Specified Date”	the date which is 45 days after the completion of the Transaction, and if that date is not a business day, the business day immediately after that date
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subordination and Assignment Deed”	the subordination and assignment deed dated 12 January 2022 entered into among the Target Company, the Joint Offerors, Zhong Zhao and Premium Financial pursuant to which all present and future, actual or contingent, moneys, debts and liabilities due, owing or incurred by the Target Company to all or any of, among others, the Joint Offerors Obligors (including, without limitation, the Shareholder’s Loan and the ZZ Loans) shall be subordinated to the PF Loan and assigned by way of security in favour of Premium Financial as additional security for the PF Loan
“Subsequent Mandatory Prepayment(s)”	the prepayment(s) of such principal amount of the PF Loan as would, following such prepayment(s), reduce the principal amount to an amount not exceeding HK\$108,000,000 pursuant to the Third Supplemental Agreement
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers and Share Buy-backs
“Target Company”	HNA Ecotech Pioneer Acquisition, a company incorporated in Cayman Islands
“Third Supplemental Agreement”	the supplemental agreement with respect to the PF Loan Agreement dated 12 January 2022 entered into among Premium Financial, the Target Company and the Joint Offerors Obligors in relation to, among other things, the conditional extension of the repayment date of the PF Loan
“Transaction”	the acquisition of the Sale Shares and the Shareholder’s Loan by the Joint Offerors from the Vendor pursuant to the SPA
“Vendor” or “HNA Technology Group”	HNA Technology Group (HK) Co., Limited (海航科技集團 (香港) 有限公司), a company incorporated in Hong Kong, being the vendor under the SPA, based on the information available to the Company, which is indirectly controlled by Hainan Province Cihang Foundation. For details, please refer to note 1 to the section headed “Shareholding Structure of the Company” in this joint announcement
“Zhong Zhao”	Zhong Zhao Investment Holdings Limited, a company incorporated in Hong Kong with limited liability which is directly wholly-owned by Mr. Zhang
“ZZ Loans”	ZZ Loan 1 and ZZ Loan 2

“ZZ Loan 1” the unsecured interest-free loan granted by Zhong Zhao to the Target Company on 26 August 2021 in the outstanding amount of HK\$5,000,000

“ZZ Loan 2” the unsecured interest-free loan granted by Zhong Zhao to the Target Company on 12 January 2022 after Completion in the outstanding amount of HK\$20,000,000

“%” per cent

By order of the board of
Mars Development Limited
Mai Zhaoping
Sole Director

By order of the board of
**Megacore Development
Limited**
Zhang Xueqin
Sole Director

By order of the board of
**HNA Technology Investments
Holdings Limited**
Jiang Hao
Chairman

Hong Kong, 12 January 2022

* *The English transliteration of the Chinese name(s) in this joint announcement, where indicated, is included for information purpose only.*

As at the date of this joint announcement, the Board comprises five executive Directors, namely Mr. Jiang Hao, Mr. Peng Zhi, Mr. Xu Jie, Mr. Wang Jing and Mr. Wong Chi Ho, one non-executive Director, namely Mr. Shum Ngok Wa, and three independent non-executive Directors, namely Mr. Guo Dan, Dr. Lin Tat Pang and Ms. O Wai. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Joint Offerors and the Joint Offerors' Concert Parties), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than the opinion expressed by the directors of the Joint Offerors) 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, the sole director of each of Mars Enterprise and Mars Development is Mr. Mai. The sole director of each of Mars Enterprise and Mars Development accepts full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Group, the Vendor and parties acting in concert with them), and confirms, having made all reasonable enquires, that to the best of his knowledge, opinions expressed in this joint announcement (other than the opinions expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement contained in this joint announcement misleading.

As at the date of this joint announcement, the sole director of each of Zhong Zhao, Megacore International and Megacore Development is Mr. Zhang. The sole director of each of Zhong Zhao, Megacore International and Megacore Development accepts full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Group, the Vendor and parties acting in concert with them), and confirms, having made all reasonable enquires, that to the best of his knowledge, opinions expressed in this joint announcement (other than the opinions expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement contained in this joint announcement misleading.