
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

This Composite Document does not constitute an offer to sell or an invitation or solicitation of an offer to acquire, purchase or subscribe for any securities or a solicitation of any vote or approval in any jurisdiction. This Composite Document does not constitute a prospectus or a prospectus equivalent document.

If you have sold or transferred all your shares in **B & D Strategic Holdings Limited**, you should at once hand this Composite Document and the enclosed Form of Acceptance to the purchaser or the transferee or to the licensed securities dealer or the registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee. This Composite Document should be read in conjunction with the accompanying Form of Acceptance, the contents of which form part of the terms and conditions of the Offer contained herein.

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



Kyosei Technology Inc.

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

B & D Strategic Holdings Limited

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1780)

COMPOSITE OFFER AND RESPONSE DOCUMENT RELATING TO UNCONDITIONAL MANDATORY CASH OFFER BY GET NICE SECURITIES LIMITED FOR AND ON BEHALF OF KYOSEI TECHNOLOGY INC. TO ACQUIRE ALL THE ISSUED SHARES OF B & D STRATEGIC HOLDINGS LIMITED (OTHER THAN THOSE ALREADY OWNED BY THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT)

Financial Adviser to the Offeror



Independent Financial Adviser to the Independent Board Committee



Capital 9 Limited

Unless the context otherwise requires, capitalised terms used in this Composite Document (including this cover page) having the same meanings as those defined in the "Definitions" section of this Composite Document. A letter from Get Nice containing, among other things, the details of the terms of the Offer is set out in the "Letter from Get Nice" section of this Composite Document. A letter from the Board is set out in the "Letter from the Board" section of this Composite Document. A letter from the Independent Board Committee containing its recommendations to the Independent Shareholders in relation to the Offer is set out in the "Letter from the Independent Board Committee" section of this Composite Document. A letter from Capital 9 Limited, being the independent financial adviser to the Independent Board Committee, containing its advice to the Independent Board Committee in relation to the Offer is set out in the "Letter from the Independent Financial Adviser" section of this Composite Document.

The procedures for acceptance and settlement of the Offer are set out in Appendix I to this Composite Document and in the accompanying Form of Acceptance. The Form of Acceptance should be received by the Registrar, Boardroom Share Registrars (HK) Limited at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong by no later than 4:00 p.m. (Hong Kong time) on Friday, 10 November 2023 or such later time and/or date as the Offeror may determine and announce in accordance with the requirements under the Takeovers Code.

Shareholders should inform themselves of and observe any applicable legal, tax or regulatory requirements set out in the "Important Notices" section of this Composite Document. Any persons including, without limitation, custodians, nominees and trustees, who would, or otherwise intend to, forward this Composite Document and/or the accompanying Form of Acceptance to any jurisdiction outside Hong Kong should read the details in this regard which are contained in the paragraphs headed "Overseas Shareholders" in the "Letter from Get Nice" section of this Composite Document before taking any action. It is the responsibility of any Overseas Shareholders wishing to take any action in relation to the Offer, respectively, to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection therewith, including obtaining all governmental, exchange control or other consents which may be required and compliance with all necessary formalities or legal requirements and the payment of any issue, transfer or other taxes payable by such Overseas Shareholders in respect of the acceptance of the Offer (as applicable) in such jurisdiction. The Overseas Shareholders are advised to seek professional advice on deciding whether to accept the Offer (as applicable). This Composite Document is issued jointly by the Offeror and the Company.

This Composite Document will remain on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.bnd-strategic.com.hk>) as long as the Offer remains open. In case of any inconsistency, the English language texts of this Composite Document and the enclosed Form of Acceptance shall prevail over their respective Chinese texts for the purpose of interpretation.

20 October 2023

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EXPECTED TIMETABLE

The timetable set out below is indicative only and may be subject to changes. Any changes to the timetable will be jointly announced by the Offeror and the Company as and when appropriate. Unless otherwise specified, all time and date references contained in this Composite Document and the Form of Acceptance refer to Hong Kong time and dates.

Event	Time & Date
Despatch date of this Composite Document and the Form of Acceptance and commencement date of the Offer (<i>Note 1</i>)	Friday, 20 October 2023
Latest time and date for acceptance of the Offer (<i>Notes 2 and 3</i>)	4:00 p.m. on Friday, 10 November 2023
Closing Date (<i>Notes 2 and 3</i>).	Friday, 10 November 2023
Announcement of the results of the Offer to be posted on the website of the Stock Exchange	No later than 7:00 p.m. on Friday, 10 November 2023
Latest date for posting of remittances for the amounts due in respect of valid acceptances received under the Offer (<i>Notes 3 and 4</i>).	Tuesday, 21 November 2023

Notes:

1. The Offer, which is unconditional in all respects, is made on the date of posting of this Composite Document, and is capable of acceptance on and from Friday, 20 October 2023 until the Closing Date. Beneficial owners of Shares who hold their Shares in CCASS directly as an Investor Participant or indirectly via a broker or custodian participant should note the timing requirements (as set out in Appendix I to this Composite Document) for causing instructions to be made to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures. Acceptances of the Offer shall be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code. Please refer to paragraph headed “6. Right of Withdrawal” in Appendix I to this Composite Document for further information on the circumstances where acceptances may be withdrawn.
2. In accordance with the Takeovers Code, the Offer must initially be opened for acceptance for at least 21 days following the date on which the Composite Document is posted. The latest time and date for acceptance of the Offer is 4:00 p.m. on Friday, 10 November 2023. The Offeror reserves the right to extend the Offer until such date as it may determine pursuant to the Takeovers Code. An announcement will be issued through the Stock Exchange website by 7:00 p.m. on Friday, 10 November 2023 stating whether the Offer has been revised or extended. In the event that the Offeror decides to extend the Offer, the announcement will state the next closing date of the Offer or that the Offer will remain open until further notice. In the latter case, at least 14 days’ notice in writing will be given, before the extended Offer is closed, to those Shareholders who have not accepted the Offer.
3. If there is a tropical cyclone warning signal number 8 or above, or “extreme conditions” caused by super typhoons or a “black” rainstorm warning signal:
 - (a) in force in Hong Kong at any local time before 12:00 noon but no longer in force after 12:00 noon on the latest date for acceptance of the Offer and the latest date for posting of remittances for the amounts due under the Offer in respect of valid acceptances, the latest time for acceptance of the Offer and the posting of remittances will remain at 4:00 p.m. on the same Business Day; or

EXPECTED TIMETABLE

- (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the latest date for acceptance of the Offer and the latest date for posting of remittances for the amounts due under the Offer in respect of valid acceptances, the latest time for acceptance of the Offer and the posting of remittances will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m. or such other day as the Executive may approve.
4. Remittances in respect of the cash consideration (after deducting the seller's ad valorem stamp duty) payable for the Offer Shares tendered under the Offer will be posted to the Accepting Shareholders by ordinary post at their own risk as soon as possible but in any event no later than seven (7) Business Days following the date of receipt by the Registrar of all relevant documents (receipt of which renders such acceptance complete and valid) in accordance with the Takeovers Code.

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

All references to date and time contained in this Composite Document and the accompanying Form of Acceptance refer to Hong Kong date and time.

IMPORTANT NOTICES

NOTICE TO OVERSEAS SHAREHOLDERS

The making of the Offer to the Overseas Shareholders may be subject to the laws or regulations of the relevant jurisdictions of residence of the Independent Shareholders. The making of the Offer to Overseas Shareholders and their acceptances of the Offer may be prohibited or affected by the laws or regulations of the relevant jurisdictions of residence of the Overseas Shareholders. The Overseas Shareholders should observe any applicable legal or regulatory requirements and, where necessary, seek their own legal advice. 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 jurisdiction in connection with the acceptance of the Offer, including any requirement for any governmental, exchange control or other consents, any filing and registration requirements, any necessary formalities, any legal or regulatory requirements and any requirement for the payment by the accepting Shareholders of any transfer or other taxes due from such Shareholders in respect of their acceptances.

Any acceptance of the Offer by any Shareholder will be deemed to constitute a representation and warranty from such Shareholder to the Offeror and the Company that all the laws and regulations of the relevant jurisdictions have been complied with and that the Offer can be accepted by such Shareholder lawfully under the laws and regulations of the relevant jurisdictions. Shareholders should consult their professional advisers if in doubt.

The Offeror, the Company, Get Nice, the Independent Financial Adviser, the Registrar or parties acting in concert with any of them or any of their respective ultimate beneficial owners, directors, officers, agents, professional advisers or associates or any other person involved in the Offer shall be entitled to be fully indemnified and held harmless by the Overseas Shareholders for any taxes due from such Shareholders they may be required to pay. Please see the paragraphs headed “Overseas Shareholders” in the “Letter from Get Nice” section in this Composite Document.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Composite Document includes certain “forward-looking statements”. These statements are based on the current expectations of the management of the Offeror and/or the Company (as the case may be) and are naturally subject to uncertainty and changes in circumstances.

Forward-looking statements include, without limitation, statements typically containing words such as “intends”, “expects”, “anticipates”, “targets”, “estimates”, “envisages” and words of similar import. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to, general, social, economic and political conditions in the countries in which the Group operates or other countries which have an impact on the Group’s business activities or investments, interest rates, the monetary and interest rate policies of the countries in which the Group operates, inflation or deflation, foreign exchange rates, the performance of the financial markets in the countries in which the Group operates and globally, changes in domestic and foreign laws, regulations and taxes, changes in competition and the pricing environments in the countries in which the Group operates and regional or general changes in asset valuations. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements.

IMPORTANT NOTICES

Subject to the requirement of applicable laws, rules and regulations, including the Takeovers Code, all written and oral forward-looking statements attributable to the Offeror, the Company or persons acting on behalf of any of them are expressly qualified in their entirety by the cautionary statements above. The forward-looking statements included herein are made only as of the Latest Practicable Date. Subject to the requirement of applicable laws, rules and regulations, including the Takeovers Code, neither the Offeror nor the Company assumes any obligation to correct or update the forward-looking statements or opinions contained in this Composite Document.

DEFINITIONS

In this Composite Document, the following expressions have the meanings set out below unless the context requires otherwise:

“Accepting Shareholder(s)”	the Shareholder(s) who accept(s) the Offer
“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“associate(s)”	has the meaning ascribed to it under the Takeovers Code
“Board”	the board of Directors
“Business Day”	a day on which the Stock Exchange is open for transaction of business
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
“Closing Date”	10 November 2023, being the closing date of the Offer, or if the Offer are extended, any subsequent closing date of the Offer as extended and announced by the Offeror and approved by the Executive in accordance with the Takeovers Code
“Company”	B & D Strategic Holdings Limited, a limited liability company incorporated in the Cayman Islands, whose Shares are listed on the Main Board of the Stock Exchange (Stock code: 1780)
“Completion”	the completion of the Sale and Purchase Agreement which took place on 11 September 2023
“Composite Document”	this composite offer and response document dated 20 October 2023 and jointly despatched by the Offeror and the Company to the Shareholders in accordance with the Takeovers Code in respect of the Offer
“concert party(ies)”	parties acting in concert
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	director(s) of the Company from time to time
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director

DEFINITIONS

“Form of Acceptance”	the form of acceptance and transfer issued with this Composite Document to Shareholders for use by such persons in connection with the Offer
“GEM”	GEM operated by the Stock Exchange
“Get Nice”	Get Nice Securities Limited, a corporation licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities as defined under the SFO, who (i) is the financial adviser to the Offeror in respect of the Offer; (ii) granted the Loan Facility to the Offeror for its payment obligation under the Sale and Purchase Agreement and the Offer; and (iii) is the agent making the Offer for and on behalf of the Offeror
“Group”	the Company and its subsidiaries
“Guarantors”	Mr. Kenichi Yanase and Dr. Hiroshi Kaneko, who are two of the shareholders and the directors of the Offeror, as guarantors to the Loan Facility
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent committee of the Board, comprising all the independent non-executive Directors, namely Mr. Yeung Tze Long, Mr. Chan Pui Hang Ian and Ms. Li Yuen Shan, which has been established in accordance with the Takeovers Code to advise the Independent Shareholders in respect of the Offer
“Independent Financial Adviser”	Capital 9 Limited, a licensed corporation to carry on business in Type 6 (advising on corporate finance) regulated activities as defined under the SFO, who is the independent financial adviser appointed with the approval by the Independent Board Committee to make recommendation to the Independent Board Committee in respect of the Offer
“Independent Shareholders”	Shareholders other than the Offeror and parties acting in concert with it
“Investor Participant”	the person admitted to participate in CCASS as investor participants

DEFINITIONS

“Joint Announcement”	the joint announcement dated 19 September 2023 jointly issued by the Offeror and the Company in relation to the Sale and Purchase Agreement and the Offer
“Last Trading Day”	11 September 2023, being the last full trading day immediately prior to the suspension of trading in the Shares on the Stock Exchange pending the publication of the Joint Announcement
“Latest Practicable Date”	17 October 2023, being the latest practicable date prior to the printing of this Composite Document for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange
“Loan Facility”	the standby facility of up to HK\$219,000,000 granted by Get Nice to the Offeror (including the arrangement of (i) a share charge of all the Sale Shares held by the Offeror upon the Completion and all the Shares to be acquired and owned by the Offeror under the Offer in favour of Get Nice; (ii) a deed of guarantee (which primarily serves as the personal guarantee on the repayment of the Loan Facility in favour of Get Nice as the lender) executed by two of the shareholders of the Offeror, namely Mr. Kenichi Yanase and Dr. Hiroshi Kaneko; and (iii) a subordination agreement (which primarily states that the Offeror is obliged to first repay all outstanding amount under the Loan Facility due to Get Nice as the lender before any repayment of shareholder’s loans (if any)) executed by the Offeror, the Guarantors and Ms. Pan Nan) of which up to HK\$139,000,000 to finance the part of the consideration payable for the Sale Shares under the Sale and Purchase Agreement and up to HK\$80,000,000 to finance the consideration payable under the Offer
“Offer”	the unconditional mandatory cash offer made by Get Nice for and on behalf of the Offeror to acquire all the Offer Shares pursuant to Rule 26.1 of the Takeovers Code and on the terms and conditions set out in this Composite Document and the Form of Acceptance
“Offer Period”	has the meaning ascribed to it in the Takeovers Code the period which commenced on 19 September 2023, being the date of the Joint Announcement, and which will end on the Closing Date
“Offer Price”	the price of HK\$0.503 per Offer Share payable in cash by the Offeror on the terms of the Offer

DEFINITIONS

“Offer Share(s)”	all the Shares in issue, that are subject to the Offer and other than those already owned by the Offeror or parties acting in concert with it, being 155,000,000 Shares
“Offeror”	Kyosei Technology Inc., a limited liability company incorporated in the British Virgin Islands, which is held as to 65.45% by Mr. Kenichi Yanase, 28.05% by Dr. Hiroshi Kaneko and 6.50% by Ms. Pan Nan
“Overseas Shareholder(s)”	Shareholder(s) whose address(es), as shown on the register of members of the Company, is/are outside Hong Kong
“Registrar”	Boardroom Share Registrars (HK) Limited, the branch share registrar of the Company in Hong Kong at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, being the agent to receive the Form of Acceptance
“Relevant Period”	the period from 19 March 2023, being the date falling six months preceding the date of the Joint Announcement, up to and including the Latest Practicable Date
“Sale and Purchase Agreement”	the sale and purchase agreement dated 11 September 2023 entered into between the Offeror and the Vendor in relation to the Share Transfer
“Sale Shares”	465,000,000 Shares acquired by the Offeror pursuant to the Sale and Purchase Agreement, representing 75% of the total issued share capital of the Company as at the date of the Joint Announcement and as at the Latest Practicable Date
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of nominal value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Share Transfer”	the transfer of the Sale Shares by the Vendor to the Offeror pursuant to the terms and conditions of the Sale and Purchase Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	The Code on Takeovers and Mergers issued by the SFC
“trading day”	a day on which the Stock Exchange is open for the business of dealings in securities
“Vendor”	Sky Winner Holdings Limited, a limited liability company incorporated in the British Virgin Islands, a controlling Shareholder holding 75% of the issued share capital of the Company immediately prior to the Completion, and is beneficially owned as to 69.48% by Mr. Tang Wing Kwok (the Chairman and an executive Director of the Company) and 30.52% by Mr. Lo Wing Hang (the Vice-chairman, the chief executive officer and an executive Director of the Company)
“%”	per cent.

All references in this Composite Document to times and dates are references to Hong Kong times and dates, unless otherwise specified.

In this Composite Document, unless the context otherwise requires or specifically states otherwise:

- (a) the singular includes the plural and vice versa;
- (b) one gender includes the other genders; and
- (c) references to individuals include companies and other corporations and vice versa.

LETTER FROM GET NICE



G-3F., Cosco Tower
Grand Millennium Plaza
183 Queen's Road Central
Hong Kong

20 October 2023

To the Independent Shareholders

Dear Sir or Madam,

**UNCONDITIONAL MANDATORY CASH OFFER BY
GET NICE SECURITIES LIMITED FOR AND ON BEHALF OF
THE OFFEROR TO ACQUIRE ALL THE ISSUED SHARES OF
B & D STRATEGIC HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED BY THE OFFEROR AND
PARTIES ACTING IN CONCERT WITH IT)**

1. INTRODUCTION

Reference is made to the Joint Announcement in relation to, among others, the Sale and Purchase Agreement and the Offer. Terms used in this letter shall have the same meanings as defined in the Composite Document unless the context otherwise requires.

As disclosed in the Joint Announcement, on 11 September 2023 (after trading hours), the Offeror and the Vendor entered into the Sale and Purchase Agreement pursuant to which the Vendor agreed to sell and the Offeror agreed to purchase the Sale Shares, representing 75% of the total issued share capital of the Company as at the date of the Joint Announcement and as at the Latest Practicable Date, at a cash consideration of HK\$233,500,000 (equivalent to approximately HK\$0.5022 per Sale Share), free from all encumbrances and together with all rights now or hereafter attaching to them as at Completion, including all rights to any dividend or other distribution which may be declared, made or paid on or after the date of Completion. The total consideration had been paid by the Offeror from its internal resources of HK\$96,000,000 and financing from the Loan Facility of HK\$137,500,000. The Completion was not subject to any condition and took place immediately upon the signing of the Sale and Purchase Agreement on 11 September 2023.

Immediately after Completion, the Vendor no longer holds, owns, controls or has direction over any Shares or any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

LETTER FROM GET NICE

Immediately prior to the Completion, the Offeror and parties acting in concert with it did not hold, own, control or have direction over any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. Upon the Completion and as at the Latest Practicable Date, the Offeror and parties acting in concert with it beneficially own 465,000,000 Shares, representing 75% of the total issued share capital of the Company as the Latest Practicable Date.

As such, the Offeror is required to make an unconditional mandatory cash offer for all the Offer Shares, being all the Shares in issue, other than those already owned by the Offeror and parties acting in concert with it, pursuant to Rule 26.1 of the Takeovers Code.

This letter forms part of the Composite Document and sets out, among others, details of the Offer, information on the Offeror and the Offeror's intentions in relation to the Group. Further details on the terms and procedures for acceptance of the Offer are set out in Appendix I to the Composite Document and the accompanying Form of Acceptance.

Shareholders are strongly advised to carefully consider the information contained in the "Letter from the Board", the "Letter from the Independent Board Committee", the "Letter from the Independent Financial Adviser" in, and the appendices to, the Composite Document and the Form of Acceptance, and to consult their own professional advisers if in doubt before reaching a decision as to whether or not to accept the Offer.

2. THE OFFER

Get Nice is making the Offer, for and on behalf of the Offeror, in compliance with the Takeovers Code on the following basis:

For each Offer Share HK\$0.503 in cash

The Offer Price is the same as the price paid by the Offeror (rounded up to three decimal places) for each Sale Share pursuant to the Sale and Purchase Agreement.

The Offer is extended to all Independent Shareholders in accordance with Rule 26.1 of the Takeovers Code. The Offer Shares to be acquired under the Offer shall be fully paid and shall be acquired free from all encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date on which the offer is made (i.e. being the date of despatch of this Composite Document).

The Offer is unconditional in all respects and is for all existing issued Shares but excluding the Sale Shares and any other Shares already owned or agreed to be acquired by the Offeror and persons acting in concert with it.

LETTER FROM GET NICE

Comparison of value

The Offer Price of HK\$0.503 per Offer Share represents:

- (1) a discount of approximately 73.10% to the closing price of HK\$1.87 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (2) a discount of approximately 79.72% to the closing price of HK\$2.48 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (3) a discount of approximately 79.39% to the average closing price of HK\$2.44 per Share as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including the Last Trading Day;
- (4) a discount of approximately 77.08% to the average closing price of approximately HK\$2.195 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day;
- (5) a discount of approximately 74.52% to the average closing price of approximately HK\$1.974 per Share as quoted on the Stock Exchange for the last 30 consecutive trading days up to and including the Last Trading Day; and
- (6) a premium of approximately 58.68% over the audited consolidated net assets value per Share of approximately HK\$0.317 as at 31 March 2023, the date on which the latest audited financial results of the Group were made up (based on the Company's audited consolidated net asset value of approximately HK\$196,420,000 as at 31 March 2023 and 620,000,000 Shares in issue as at the Latest Practicable Date).

Highest and lowest Share prices

During the Relevant Period, the highest and the lowest closing prices of the Shares as quoted on the Stock Exchange were HK\$2.58 per Share on 7 September 2023 and HK\$0.92 per Share on 21 March 2023, respectively.

Total value of the Offer

As at the Latest Practicable Date, the Company had 620,000,000 Shares in issue and had no outstanding options, derivatives, warrants or securities which are convertible or exchangeable into Shares and had not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares. On the basis of the Offer Price, the entire issued Shares is valued at HK\$311,860,000.

On the basis of the Offer Price, excluding the 465,000,000 Sale Shares acquired by the Offeror under the Sale and Purchase Agreement, the 155,000,000 Offer Shares subject to the Offer is valued at HK\$77,965,000.

LETTER FROM GET NICE

Confirmation of financial resources

The Offeror intends to finance the consideration payable under the Offer by the Loan Facility granted by Get Nice. The Loan Facility is secured by (i) a share charge of all the Sale Shares held by the Offeror upon the Completion and all the Shares to be acquired and owned by the Offeror under the Offer in favour of Get Nice; (ii) a deed of guarantee (which primarily serves as the personal guarantee on the repayment of the Loan Facility in favour of Get Nice as the lender) executed by the Guarantors; and (iii) a subordination agreement (which primarily states that the Offeror is obliged to first repay all outstanding amount under the Loan Facility due to Get Nice as the lender before any repayment of shareholder's loans (if any)) executed by the Offeror, the Guarantors and Ms. Pan Nan, being the remaining shareholder of the Offeror.

Get Nice, as the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the consideration for the full acceptance of the Offer as described above.

Effect of accepting of the Offer

By accepting the Offer, the relevant Independent Shareholder will be deemed to warrant that all Offer Shares to be sold by such person under the Offer are fully paid and free from all liens, charges, options, claims, equity, rights of pre-emption and any other third party rights or encumbrances of any nature whatsoever and together with all rights attaching to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date on which the Offer is made (i.e. being the date of despatch of this Composite Document).

Acceptances of the Offer shall be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code. As disclosed in the section headed "Letter from the Board" in the Composite Document, as at the Latest Practicable Date, the Company (i) has not declared any dividend which remained unpaid; and (ii) did not have any intention to declare, make or pay any dividend or other distributions prior to close 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 no later than seven (7) business days (being a day on which the Stock Exchange is open for the transaction of business) following the day on which the duly completed acceptances of the Offer and the relevant documents of title of the Offer Shares in respect of such acceptances are received by or for the Offeror to render each such acceptance complete and valid.

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

LETTER FROM GET NICE

Hong Kong stamp duty

The seller's Hong Kong ad valorem stamp duty arising in connection with acceptances of the Offer will be payable by the relevant Independent Shareholders at a rate of 0.13% of the higher of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Offer, and will be deducted from the amount payable by the Offeror to the relevant Independent Shareholders on acceptance of the Offer.

The Offeror will arrange for payment of the seller's Hong Kong ad valorem stamp duty on behalf of the relevant Independent Shareholders accepting the Offer and will pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Offer Shares.

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, the Company, Get Nice, the Independent Financial Adviser and their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

Overseas Shareholders

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 observe any applicable legal or 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 overseas 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 overseas jurisdictions).

Acceptance of the Offer 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.

Procedures for acceptance and settlement

Details of the procedures for acceptance and settlement relating to the Offer are set out in Appendix I to the Composite Document and the accompanying Form of Acceptance.

LETTER FROM GET NICE

3. INFORMATION ON THE OFFEROR

The Offeror, Kyosei Technology Inc., is a company incorporated in the British Virgin Islands, with limited liability. The Offeror is an investment holding company and has not conducted any business since its incorporation. It is held as to 65.45% by Mr. Kenichi Yanase, 28.05% by Dr. Hiroshi Kaneko and 6.50% by Ms. Pan Nan. The directors of the Offeror are Mr. Kenichi Yanase and Dr. Hiroshi Kaneko.

Further information of Mr. Kenichi Yanase and Dr. Hiroshi Kaneko are set out in the section “6. PROPOSED CHANGE TO THE BOARD COMPOSITION OF THE COMPANY” in this letter.

Ms. Pan Nan, aged 38, has been a sophisticated investor for more than 10 years having experience in securities investment.

4. INFORMATION ON THE GROUP

Details of the information on the Group are set out in the “Letter from the Board” to the Composite Document. The financial and general information of the Group are set out in Appendix II and III to the Composite Document, respectively.

5. INTENTION OF THE OFFEROR IN RELATION TO THE GROUP

Following the close of the Offer, the Offeror intends to continue the existing principal businesses of the Group. The Offeror has no intention to (i) discontinue the employment of any employees of the Group (except for the proposed change to the members of the Board set out below); or (ii) redeploy the fixed assets of the Company other than those in its ordinary and usual course of business. The Offeror will continue to monitor and review the Group’s business and operations from time to time, and may take steps that it deems necessary or appropriate to optimise the value of the Group. As at the Latest Practicable Date, the Offeror has no plan or intention to downsize or change the scale of the Group’s existing principal business.

As confirmed by Mr. Yanase and Dr. Kaneko, being the directors and together as the controlling owners of the Offeror, they intend to leverage their extensive experience and network in the field of real estate development and investment in Japan to the business of the Group. They have participated in various kinds of development projects, including but not limited to theme parks, hotels, rental apartments, commercial buildings, renovation projects and senior flats. This allows them to bring valuable insights and networks to facilitate the Group's construction business in Hong Kong. By leveraging their experience and network, the Offeror aim to achieve synergy in the value chain of the real estate industry, optimizing processes, enhancing efficiency, and maximizing the Group's overall performance in Hong Kong.

6. PROPOSED CHANGE TO THE BOARD COMPOSITION OF THE COMPANY

As at the Latest Practicable Date, the executive Directors are Mr. Tang Wing Kwok and Mr. Lo Wing Hang and the independent non-executive Directors are Mr. Yeung Tze Long, Mr. Chan Pui Hang Ian and Ms. Li Yuen Shan. It is currently intended that all of them will resign from office as a Director with effect from the date which is no earlier than such date as permitted under Rule 7 of the Takeovers Code.

LETTER FROM GET NICE

The Offeror intends to nominate Mr. Yanase as the chairman and an executive Director and Dr. Kaneko as an executive Director. The Offeror is in the course of identifying additional candidates for the Board subject to compliance with the Takeovers Code and the Listing Rules. The appointment of Director(s) nominated by the Offeror will not take effect earlier than the posting of the Composite Document in compliance with Rule 26.4 of the Takeovers Code.

Further announcement will be published by the Company in respect of the changes to the Board pursuant to the Takeovers Code and Listing Rules as and when appropriate.

The biographies of Mr. Yanase and Dr. Kaneko set out below:

Mr. Kenichi Yanase

Mr. Yanase, aged 57, has extensive experience in the field of banking, real estate and investment. Mr. Yanase is currently the chairman of Kyosei Bank Co.* (共生バンク株式会社), and is responsible for overseeing its daily operation and strategic planning. He has also been serving as its chief executive officer since January 2012. Prior to joining Kyosei Bank Co., Mr. Yanase founded Toshisouken Invest-Bank Co.* (都市綜研インベストバンク株式会社) and has been serving as its chairman since October 2007, and is primarily responsible for new business development and operations, as well as overseeing the real estate business in general. Mr. Yanase also founded Toshisouken Invest-Fund Co.* (都市綜研インベストファンド株式会社) and has been serving as its chairman since April 2010, and is primarily responsible for the management and operation of the real estate fund.

Kyosei-Bank Co. serves as the holding company for a group of companies. The group is principally engaged in real estate development and investment in Japan and offers a wide range of services, spanning across various sectors including theme park, hotel, tourism resources development, technology, agriculture, social welfare, and cold-chain logistics businesses. The types of real estate development projects include rental apartments, commercial projects, senior flats, accommodation and renovation projects.

Toshisouken Invest-Bank Co. is principally engaged in real estate development and rental business in Japan. The company has developed over 30 properties in a diverse range of types such as commercial, residential properties, hotels, and senior condominiums.

Toshisouken Invest-Fund Co. is principally engaged in real estate fund business primarily offering real estate fund products to retail investors in Japan.

During the period from 20 November 2021 to 4 October 2023, Mr. Yanase was the non-executive director of Hong Wei (Asia) Holdings Company Limited (stock code: 8191), the shares of which are listed on GEM of the Stock Exchange.

Mr. Yanase graduated from Kobe City Suma High School in March 1984.

LETTER FROM GET NICE

Dr. Hiroshi Kaneko

Dr. Kaneko, aged 58, has extensive research experience in the field of environment, development and economic science in Japan, China and Northern America. He has been engaged in comprehensive utilization of environmental friendly materials and international trade. He is currently a vice president and chief financial officer of Kyosei-Bank Co* (共生バンク株式会社) and is mainly responsible for overseeing the financial aspects of new business development.

Dr. Kaneko has been acting as the executive director of Hong Wei (Asia) Holdings Company Limited (stock code: 8191), the shares of which are listed on GEM of the Stock Exchange, since 20 November 2021. Dr. Kaneko has also been appointed as an executive director and the chief executive of Fullsun International Holdings Group Co., Limited (stock code: 627), the shares of which are listed on the Main Board of the Stock Exchange, since 26 July 2023.

Dr. Kaneko received a Master of Engineering from Dalian University of Technology in 1989 and a doctoral degree in Engineering from the Department of the Advanced Interdisciplinary Studies from University of Tokyo in 1997.

The proposed term of office, level of remuneration of Mr. Yanase and Dr. Kaneko as a Director shall be determined and announced by the Company in due course. As at the Latest Practicable Date, the Company has not entered into a service contract with Mr. Yanase nor Dr. Kaneko in respect of their proposed appointment as a Director.

As at the Latest Practicable Date, Mr. Yanase and Dr. Kaneko are beneficially interested in 465,000,000 Shares (representing 75% of the total number of Shares in issue) acquired by the Offeror, which is held as to 65.45% by Mr. Yanase and 28.05% by Dr. Kaneko, pursuant to the Sale and Purchase Agreement. Mr. Yanase and Dr. Kaneko are the directors of the Offeror.

Save as disclosed above, as at the Latest Practicable Date, each of Mr. Yanase and Dr. Kaneko has confirmed that he (i) has not held any other major appointments and professional qualifications or directorships in other listed companies in Hong Kong or overseas in the last three years; (ii) does not have any relationship with any Directors, senior management, substantial or controlling shareholders of the Company; (iii) does not hold other positions with the Company or other members of the Group; and (iv) is not interested in any Shares within the meaning of Part XV of the SFO.

Save as disclosed above, as at the Latest Practicable Date, there is no information required to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters relating to the proposed appointment of Mr. Yanase and Dr. Kaneko that need to be brought to the attention of the Shareholders.

LETTER FROM GET NICE

7. MAINTAINING THE LISTING STATUS OF THE COMPANY

The Stock Exchange has stated that, if, at the close of the offer, less than the minimum prescribed percentage applicable to the listed issuer, being 25% of the issued shares are held by the public, or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the Shares; or
- (ii) that there are insufficient Shares in public hands to maintain an orderly market;

it will consider exercising its discretion to suspend dealing in the shares.

The Offeror intends the Company to remain listed on the Stock Exchange, after the close of the Offer. The directors of the Offeror have jointly and severally undertaken and the new directors to be appointed to the Board will undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares after the close of the Offer.

The Offeror does not intend to avail itself of any power of compulsory acquisition of any Shares.

8. GENERAL

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

All documents and remittances in respect of cash consideration payable for the Offer Shares tendered under the Offer will be sent to the Accepting Shareholders by ordinary post at such Shareholder's own risk. These documents and remittances will be sent to them at their respective addresses as they appear in the register of members of the Company, or in the case of joint Shareholders, to the Shareholder whose name appears first in the said register of members, unless otherwise specified in the accompanying Form of Acceptance completed, returned and received by the Registrar. None of the Offeror and the parties acting in concert with it, the Company, Get Nice, the Registrar or any of their respective ultimate beneficial owners, directors, officers, agents, advisers or associates or any other person involved in the Offer will be responsible for any loss in postage or delay in transmission of such documents and remittances or any other liabilities that may arise as a result thereof.

9. WARNING

Shareholders and potential investors of the Company should exercise caution when dealing in the Shares, and if they are in any doubt about their position or as to the action they should take, they should consult their stockbroker, bank manager, solicitor or other professional advisers.

LETTER FROM GET NICE

10. ADDITIONAL INFORMATION

Your attention is drawn to the additional information relating to the Offer set out in the appendices to the Composite Document and the accompanying Form of Acceptance, which form part of the Composite Document. In addition, you are reminded to carefully consider the information contained in the “Letter from the Board”, the “Letter from the Independent Board Committee” and the “Letter from the Independent Financial Adviser” set out in the Composite Document and to consult your professional advisers as you see fit, before deciding whether or not to accept the Offer.

Yours faithfully,
For and on behalf of
Get Nice Securities Limited
Larry Ng
Director

LETTER FROM THE BOARD



B & D Strategic Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1780)

Executive Directors:

Mr. Tang Wing Kwok (*Chairman*)

Mr. Lo Wing Hang

(Vice Chairman and Chief Executive Officer)

Independent non-executive Directors:

Mr. Yeung Tze Long

Mr. Chan Pui Hang Ian

Ms. Li Yuen Shan

Registered office in

Cayman Islands:

Windward 3

Regatta Office Park

PO Box 1350

Grand Cayman KY1-1108

Cayman Islands

Head Office and Principal

Place of Business in Hong Kong:

Units 2803-2803A

Asia Trade Centre

No. 79 Lei Muk Road

Kwai Chung

New Territories

Hong Kong

20 October 2023

To the Independent Shareholders:

Dear Sir or Madam,

**UNCONDITIONAL MANDATORY CASH OFFER BY
GET NICE SECURITIES LIMITED FOR AND ON BEHALF OF
KYOSEI TECHNOLOGY INC. TO ACQUIRE ALL THE ISSUED SHARES OF
B & D STRATEGIC HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED BY
THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

Reference is made to the Joint Announcement issued by the Offeror and the Company in relation to, among others, the Sale and Purchase Agreement and the Offer. Unless the context requires otherwise, terms defined in this Composite Document shall have the same meanings when used herein.

LETTER FROM THE BOARD

As disclosed in the Joint Announcement, on 11 September 2023 (after trading hours), the Offeror and the Vendor, being the then controlling Shareholder, entered into the Sale and Purchase Agreement pursuant to which the Vendor agreed to sell and the Offeror agreed to purchase the Sale Shares, representing 75% of the total issued share capital of the Company as at the date of the Sale and Purchase Agreement, at a cash consideration of HK\$233,500,000 (equivalent to approximately HK\$0.5022 per Sale Share). The Completion was not subject to any condition and took place immediately upon the signing of the Sale and Purchase Agreement on 11 September 2023. Immediately after Completion, the Vendor ceased to be a Shareholder.

As mentioned in the “Letter from Get Nice” contained in this Composite Document, immediately prior to the Completion, the Offeror and parties acting in concert with it did not hold, own, control or have direction over any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. Pursuant to the Sale and Purchase Agreement and immediately following the Completion, 465,000,000 Shares were held by the Offeror. Upon the Completion and as at the Latest Practicable Date, the Offeror and parties acting in concert with it were interested in 465,000,000 Shares, representing 75% of the total issued share capital of the Company which together held voting rights in the Company of 75%. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make an unconditional mandatory general offer in cash for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and the parties acting in concert with it). Accordingly, Get Nice is making the Offer for and on behalf of the Offeror in compliance with the Takeovers Code.

As at the Latest Practicable Date, the Company has 620,000,000 Shares in issue. Save for the 620,000,000 issued Shares, the Company did not have any outstanding convertible securities, options, warrants, derivatives or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in issue which may confer any rights to subscribe for, convert or exchange into Shares and has not entered into any agreement for the issue of such warrants, options, derivatives or securities which are convertible or exchangeable into Shares as at the Latest Practicable Date. Taking into account 465,000,000 Shares that are already owned or agreed to be acquired by the Offeror and parties acting in concert with it, a total of 155,000,000 Shares are subject to the Offer.

The purpose of this Composite Document (of which this letter forms part) is to provide you with, among other things, (i) information relating to the Group, the Offeror and the Offer; (ii) the letter from Get Nice containing, among others, the details of the Offer; (iii) the letter from the Independent Board Committee containing its recommendations to the Independent Shareholders in respect of the terms of the Offer and as to the acceptance of the Offer; and (iv) the letter from the Independent Financial Adviser containing its advice and recommendation to the Independent Board Committee in respect of the terms of the Offer and as to the acceptance of the Offer.

LETTER FROM THE BOARD

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Under Rule 2.1 of the Takeovers Code, a board which receives an offer or is approached with a view to an offer being made, must, in the interests of shareholders, establish an independent committee of the board to make a recommendation: (i) as to whether the offer is, or is not, fair and reasonable; and (ii) as to acceptance.

The Independent Board Committee comprising Mr. Yeung Tze Long, Mr. Chan Pui Hang Ian and Ms. Li Yuen Shan, all being the independent non-executive Directors who have no direct or indirect interest in the Offer, has been established in accordance with Rule 2.1 and 2.8 of the Takeovers Code to advise and give 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. As the above-named independent non-executive Directors have no direct or indirect interest or involvement in the Offer, it is considered appropriate for them to be members of the Independent Board Committee in this regard.

Capital 9 Limited, with the approval of the Independent Board Committee, has been appointed as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offer and, in particular, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer.

The full texts of the letter from the Independent Board Committee addressed to the Independent Shareholders and the letter from the Independent Financial Adviser addressed to the Independent Board Committee are set out in this Composite Document. You are advised to read both letters and the additional information contained in the appendices to this Composite Document carefully before taking any action in respect of the Offer.

PRINCIPAL TERMS OF THE OFFER

As disclosed in the “Letter from Get Nice” contained in this Composite Document, Get Nice Securities is making the Offer for and on behalf of the Offeror on the terms set out in this Composite Document in compliance with the Takeovers Code on the following basis:

For each Offer Share HK\$0.503 in cash

As at the Latest Practicable Date, the Company had 620,000,000 Shares in issue. Save for the aforesaid, the Company had no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the Latest Practicable Date.

The Offer Price is the same as the price paid by the Offeror (rounded up to three decimal places) for each Sale Share pursuant to the Sale and Purchase Agreement.

The Offer is extended to all Independent Shareholders in accordance with the Takeovers Code. The Offer Shares to be acquired under the Offer shall be fully paid and shall be acquired free from all encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date on which the offer is made (i.e. being the date of despatch of this Composite Document).

LETTER FROM THE BOARD

The Offer is unconditional in all respects and is for all existing issued Shares but excluding the Sale Shares and any other Shares already owned or agreed to be acquired by the Offeror and parties acting in concert with it.

Please refer to the “Letter from Get Nice” contained in this Composite Document, Appendix I to this Composite Document and the accompanying Form of Acceptance for further information in relation to, among other things, the Offer and acceptance and settlement procedures of the Offer.

The Offer Price

Please see the paragraphs headed “Comparisons of value” and “Highest and lowest Share prices” in the “Letter from Get Nice” for details of the Offer price.

Total value of the offer

As at the Latest Practicable Date, there are 620,000,000 Shares in issue. On the basis of the Offer Price of HK\$0.503 per Offer Share, the entire issued share capital of the Company is valued at HK\$311,860,000. Excluding the 465,000,000 Sale Shares acquired by the Offeror under the Sale and Purchase Agreement, 155,000,000 Shares are subject to the Offer and the Offer is valued at HK\$77,965,000 based on the Offer Price.

Further details of the Offer

Further details of the Offer, including, among other things, its extension to the Overseas Shareholders, information on taxation, the terms and conditions and the procedures for acceptance and settlement and acceptance period can be found in the “Letter from Get Nice” and “Appendix I – Further Terms of the Offer” to this Composite Document and the accompanying Form of Acceptance.

INFORMATION ON THE GROUP

The Company is an investment holding company and was incorporated in the Cayman Islands with limited liability and its Shares have been listed on the Main Board of the Stock Exchange since 30 April 2019.

The Group is a construction contractor principally engaged in providing (i) alteration and addition works; and (ii) civil engineering works, solely in Hong Kong.

Financial and general information in relation to the Group are set out in “Appendix II – Financial Information of the Group” and “Appendix III – General Information of the Group” to this Composite Document.

LETTER FROM THE BOARD

SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date, there were a total of 620,000,000 Shares in issue. Save as disclosed above, the Company has no other outstanding warrants, options, derivatives or securities convertible into Shares. The table below sets out the shareholding structure of the Company immediately prior to the Completion and immediately after the Completion and as at the Latest Practicable Date:

Shareholders	Immediately prior to the Completion		Immediately after the Completion and as at the Latest Practicable Date	
	Number of Shares	% of issued share capital	Number of Shares	% of issued share capital
The Offeror (<i>Note 1</i>)	–	–	465,000,000	75.0%
The Vendor (<i>Note 2</i>)	465,000,000	75.0%	–	–
Other Shareholders	155,000,000	25.0%	155,000,000	25.0%
Total	620,000,000	100.00%	620,000,000	100.00%

Notes:

1. The Offeror is a company incorporated in the British Virgin Islands with limited liability, which is held as to 65.45% by Mr. Kenichi Yanase, 28.05% by Dr. Hiroshi Kaneko and 6.50% by Ms. Pan Nan.
2. The Vendor is beneficially owned as to 69.48% by Mr. Tang Wing Kwok (the Chairman and an executive Director of the Company) and 30.52% by Mr. Lo Wing Hang (the Vice-chairman, the chief executive officer and an executive Director of the Company). As at the Latest Practicable Date, Mr. Tang Wing Kwok and Mr. Lo Wing Hang are directors of the Vendor.

Immediately after Completion, the Vendor no longer holds, owns, controls or has direction over any Shares or any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

INFORMATION ON THE OFFEROR

Your attention is drawn to the section headed “3. INFORMATION ON THE OFFEROR” in the “Letter from Get Nice” and “Appendix IV – General Information of the Offeror” to this Composite Document.

LETTER FROM THE BOARD

THE OFFEROR'S INTENTIONS IN RELATION TO THE GROUP

Your attention is drawn to the section headed “5. INTENTION OF THE OFFEROR IN RELATION TO THE GROUP” in the “Letter from Get Nice” to this Composite Document. The Board is aware that the Offeror intends to continue the existing principal businesses of the Group following the close of the Offer. The Board is also aware that the Offeror has no intention to (i) discontinue the employment of any employees of the Group (except for the proposed change to the members of the Board set out in the paragraph headed “Proposed change of Board composition of the Company” below); or (ii) redeploy the fixed assets of the Company other than those in its ordinary and usual course of business. The Board is further aware that the Offeror will continue to monitor and review the Group’s business and operations from time to time, and may take steps that it deems necessary or appropriate to optimise the value of the Group. As confirmed by Mr. Kenichi Yanase and Dr. Hiroshi Kaneko, being the directors and together as the controlling owners of the Offeror, they intend to leverage their extensive experience and network in the field of real estate development and investment to facilitate the Group’s construction business and to achieve synergy in the value chain in real estate industry.

The Board is willing to render reasonable cooperation with the Offeror which is in the interests of the Company and its Shareholders as a whole.

PROPOSED CHANGE OF BOARD COMPOSITION OF THE COMPANY

As at the Latest Practicable Date, the Board is made up of five Directors, comprising two executive Directors, being Mr. Tang Wing Kwok and Mr. Lo Wing Hang, and three independent non-executive Directors, being Mr. Yeung Tze Long, Mr. Chan Pui Hang Ian and Ms. Li Yuen Shan.

The Board is aware that the Offeror currently intends all Directors to resign from office with effect from the date which is no earlier than such date as permitted under Rule 7 of the Takeovers Code. The Board is also aware that (i) the Offeror intends to nominate Mr. Kenichi Yanase as the chairman and an executive Director and Dr. Hiroshi Kaneko as an executive Director; (ii) the Offeror is in the course of identifying additional candidates for the Board subject to compliance with the Takeovers Code and the Listing Rules; and (iii) the appointment of Director(s) nominated by the Offeror will not take effect earlier than the posting of this Composite Document in compliance with Rule 26.4 of the Takeovers Code. Further announcement will be published by the Company in respect of the changes to the Board pursuant to the Takeovers Code and Listing Rules as and when appropriate.

Further information of Mr. Kenichi Yanase and Dr. Hiroshi Kaneko are set out in the section headed “6. PROPOSED CHANGE TO THE BOARD COMPOSITION OF THE COMPANY” in the “Letter from Get Nice” to this Composite Document.

LETTER FROM THE BOARD

TAXATION ADVICE

Your attention is drawn to the paragraph headed “Taxation advice” in the “Letter from Get Nice” to this Composite Document.

Independent Shareholders are recommended to consult their own professional advisers as to the tax implications that may arise from accepting or rejecting the Offer.

PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public, or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the Shares; or
- (ii) that there are insufficient Shares in public hands to maintain an orderly market;

it will consider exercising its discretion to suspend dealings in the Shares.

Therefore, it should be noted that upon close of the Offer, there may be insufficient public float of the Shares and the trading in the Shares may be suspended until sufficient public float exists for the Shares.

As revealed from the section headed “7. MAINTAINING THE LISTING STATUS OF THE COMPANY” in the “Letter from Get Nice” of this Composite Document, the Offeror intends the Company to remain listed on the Stock Exchange after the close of the Offer. The directors of the Offeror have jointly and severally undertaken and the new directors to be appointed to the Board will undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares after the close of the Offer. The Offeror does not intend to avail itself of any power of compulsory acquisition of any Shares. Hence, the Board is aware that the directors of the Offeror have undertaken and will procure the new director(s) to be appointed to the Board to jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares after the close of the Offer. The Board is also aware that the Offeror intends the Company to remain listed on the Stock Exchange and will take appropriate steps to ensure that a sufficient public float exists in the Shares after the close of the Offer.

ADVICE AND RECOMMENDATION

Pursuant to Rule 2.1 of the Takeovers Code, the Independent Board Committee has been established to make recommendation to the Independent Shareholders as to whether the Offer is fair and reasonable and as to acceptance of the Offer. Capital 9 Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee in respect of the terms of the Offer and in particular as to whether the Offer is fair and reasonable and as to acceptance of the Offer.

LETTER FROM THE BOARD

Your attention is drawn to the “Letter from the Independent Board Committee” set out in this Composite Document which contains the recommendation of the Independent Board Committee to the Independent Shareholders as to whether the Offer is, or is not, fair and reasonable and as to the acceptance of the Offer. Your attention is also drawn to the “Letter from the Independent Financial Adviser” set out in this Composite Document, which contains, among other things, its advice to the Independent Board Committee in respect of the Offer, the principal factors and reasons it has considered before arriving at its respective recommendation and advice.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information contained in the appendices to this Composite Document. You are also recommended to read carefully this Composite Document and the accompanying Form of Acceptance for further details in respect of the procedures for acceptance of the Offer. In considering what action to take in connection with the Offer, you should consider your own tax or financial positions, and, in case of any doubt, you should consult your professional advisers.

Yours faithfully
By order of the Board of
B & D Strategic Holdings Limited
Tang Wing Kwok
Chairman and Executive Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Set out below is the text of the letter of recommendation from the Independent Board Committee in respect of the Offer.



B & D Strategic Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1780)

20 October 2023

To the Independent Shareholders:

Dear Sir/Madam,

**UNCONDITIONAL MANDATORY CASH OFFER BY
GET NICE SECURITIES LIMITED FOR AND ON BEHALF OF
KYOSEI TECHNOLOGY INC. TO ACQUIRE ALL THE ISSUED SHARES OF
B & D STRATEGIC HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED BY
THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

We refer to the composite offer and response document dated 20 October 2023 and issued jointly by the Offeror and the Company (the “**Composite Document**”), of which this letter forms part. Unless the context requires otherwise, capitalised terms used in this letter shall have the same meanings as those defined in this Composite Document.

We have been appointed by the Board to form the Independent Board Committee to consider the terms of the Offer and to make a recommendation to you as to whether, in our opinion, the Offer is fair and reasonable so far as the Independent Shareholders are concerned, and as to acceptance thereof.

Capital 9 Limited has been appointed, with our approval, as the Independent Financial Adviser to advise us in respect of the terms of the Offer and as to the acceptance of the Offer. Your attention is drawn to the “Letter from the Independent Financial Adviser” (the “**IFA Letter**”) set out on pages 26 to 45 of this Composite Document which contains the details of its advice and the principal factors and reasons taken into consideration in arriving at its advice and recommendation in respect of the Offer.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

We also wish to draw your attention to the “Letter from Get Nice” set out on pages 6 to 15 of this Composite Document which contains, inter alia, information about the Offer, the “Letter from the Board” set out on pages 16 to 23 of this Composite Document and the additional information set out in this Composite Document, including the appendices to this Composite Document and the accompanying Form of Acceptance in respect of the terms of the Offer and acceptance and settlement procedures for the Offer.

RECOMMENDATION

Taking into account the terms of the Offer and the independent advice and recommendation from the Independent Financial Adviser contained in the IFA Letter, and the principal factors, reasons and recommendation considered by it in arriving at its advice and recommendation, we consider that the Offer is not fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders not to accept the Offer. The Independent Shareholders are recommended to read the full text of the IFA Letter set out in the Composite Document.

Nevertheless, for those Independent Shareholders who are considering to realise all or part of their holding in the Shares, they should closely monitor the market price and liquidity of the Shares during the Offer Period and carefully consider the relevant risks and uncertainties based on their individual preference and tolerance level. Should the net proceeds receivable under the Offer exceed the net sale proceeds from the sale of Shares in the open market, or if there is difficulty in disposing of a large volume of the Shares in the open market, in view of the thin historical trading volume of Shares on the Stock Exchange and the downward pressure it may create on the price of the Shares, the Independent Shareholders may wish to consider accepting the Offer.

Notwithstanding our recommendation, the Independent Shareholders should consider carefully the terms and conditions of the Offer and are strongly advised that their decision to realise or to hold their investment in the Shares depends on their own individual circumstances and investment objectives. If in doubt, the Independent Shareholders should consult their own professional advisers for professional advice. Furthermore, the Independent Shareholders who wish to accept the Offer are recommended to read carefully the terms and procedures for acceptance of the Offer as detailed in this Composite Document and the accompanying Form of Acceptance.

Yours faithfully,
For and on behalf of
the Independent Board Committee
B & D Strategic Holdings Limited

Mr. Yeung Tze Long
Independent
non-executive Director

Mr. Chan Pui Hang Ian
Independent
non-executive Director

Ms. Li Yuen Shan
Independent
non-executive Director

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the text of a letter of advice from the Independent Financial Adviser to the Independent Board Committee in relation to the Offer and the transactions contemplated thereunder for the purpose of incorporation into this Composite Document.



Unit 1219, 12/F,
Bank of America Tower,
12 Harcourt Road,
Central,
Hong Kong

20 October 2023

*To the Independent Board Committee of
B & D Strategic Holdings Limited*

Dear Sir/Madam,

**UNCONDITIONAL MANDATORY CASH OFFER BY
GET NICE SECURITIES LIMITED
FOR AND ON BEHALF OF
KYOSEI TECHNOLOGY INC. TO ACQUIRE ALL THE ISSUED SHARES OF
B & D STRATEGIC HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED BY THE OFFEROR AND
PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offer, particulars of which are set out in the section headed “Letter from Get Nice” (the “**Letter from Get Nice**”) contained in the composite document of the Company dated 20 October 2023 (the “**Composite Document**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Composite Document unless the context requires otherwise.

Reference is made to the announcement jointly issued by the Company and the Offeror dated 19 September 2023 (the “**Joint Announcement**”) in relation to, among other things, the Sale and Purchase Agreement and the Offer.

Immediately prior to the Completion, the Offeror and parties acting in concert with it did not hold, own, have control or direction over any voting rights or rights over the Shares or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. Upon the Completion and as at the Latest Practicable Date, the Offeror and parties acting in concert with it beneficially own 465,000,000 Shares, representing 75% of the total issued share capital of the Company.

In accordance with Rule 26.1 of the Takeovers Code, the Offeror is required to make an unconditional mandatory cash offer for the Offer Shares, being all the Shares in issue, other than those already owned by the Offeror or parties acting in concert with it.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

THE INDEPENDENT BOARD COMMITTEE

Pursuant to Rule 2.1 of the Takeovers Code, the Independent Board Committee, comprising all the independent non-executive Directors who have no direct or indirect interest in the Offer, namely Mr. Yeung Tze Long, Mr. Chan Pui Hang Ian and Ms. Li Yuen Shan, has been established to advise the Independent Shareholders (i) as to whether the Offer is, or is not, fair and reasonable and (ii) as to acceptance.

With the approval of the Independent Board Committee in accordance with Rule 2.1 of the Takeovers Code, we have been appointed as the Independent Financial Adviser to advise the Independent Board Committee in this regard.

We are not in the same group as the financial or other professional advisers (including a stockbroker) to the Company, and we are not associated with the Offeror or the Company or any party acting, or presumed to be acting in concert with any of them and we had not had, any connection, financial assistance or otherwise, with either the Offeror or the Company or the controlling shareholder(s) of either of them. In the past two years preceding the Latest Practicable Date, there was no engagement between the Company and/or the Offeror and us. Apart from the normal advisory fee payable to us in connection with this appointment as the Independent Financial Adviser, no arrangement exists whereby we shall receive any other fees or benefits from the Company, the Offeror, any of their respective substantial shareholders, directors or chief executives, their respective associates, or any person acting, or presumed to be acting, in concert with any of them. Accordingly, we are qualified to give independent advice in relation to the Offer.

BASIS OF OUR OPINION

In formulating our opinion and recommendation to the Independent Board Committee, we have reviewed, among other things, the annual report of the Company for the year ended 31 March 2023 (the “2023/3 AR”) and other information contained in the Composite Document.

In addition, we have relied on (i) the information, facts and representations provided, and the opinions and views expressed, to us by the Company, the Directors and/or the management of the Group, and (ii) the information, facts, representations, opinions and views of the Company, the Directors, the management of the Group and/or the Offeror contained or referred to in the Composite Document, including but not limited to the Letter from the Board and the Letter from Get Nice contained therein, all of which have been assumed to be true, accurate and complete at the time they were made and continue to be so as at the Latest Practicable Date. The Company will notify the Shareholders of any material changes during the Offer Period as soon as possible in accordance with the Takeovers Code. Independent Shareholders will be notified of any material changes of such information provided and our opinion, if any, as soon as possible throughout the Offer Period. We have also assumed that all statements of belief, opinion, view and intention made by the Company, the Directors, the management of the Group and/or the Offeror in the Composite Document, including but not limited to the Letter from the Board and the Letter from Get Nice contained therein, were reasonably made after due and careful enquiry and the expectations and intentions made by the Company, the Directors, the management of the Group and/or the Offeror will be met or carried out as the case may be. We consider that we have received and reviewed sufficient information to reach an informed view and have no reason to believe that any material information has been omitted or withheld, or to doubt the truth, accuracy and completeness of the information and representations provided to us by the Company, the Directors, the management of the Group and/or the Offeror. We have been confirmed by the Company that no material facts have been withheld or omitted from the information provided to us, the opinion expressed to us, and/or information or opinion contained or referred to in the Composite Document.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We have not, however, carried out any independent verification of the information provided by the Company, the Directors, the management of the Group and/or the Offeror, nor have we conducted any independent investigation into the business, financial conditions and affairs of the Group, the Offeror, or any of their respective subsidiaries, controlled entities, jointly controlled entities or associates. We consider that we have performed our duties with impartiality and independence from the Company and the Offeror.

All the Directors issuing the Composite Document jointly and severally accept full responsibility for the accuracy of information contained in the Composite Document and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in the Composite Document have been arrived at after due and careful consideration and there are no other facts not contained in the Composite Document, the omission of which would make any statement in the Composite Document misleading.

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

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

PRINCIPAL REASONS AND FACTORS CONSIDERED

In arriving at our recommendation to the Independent Board Committee in respect of the Offer, we have taken into consideration the following principal reasons and factors:

(1) Information on the Group

(a) Historical financial performance

The Group is a construction contractor principally engaged in providing (i) alteration and addition works and (ii) civil engineering works, solely in Hong Kong. The alteration and addition works generally include new structural works, fitting-out works, changes in facilities configuration, constructing a new extension to existing building, conversion of an existing building to different types, fabrication, modification, removal, or installation of hardware and equipment; erection, relocation or removal of partitions, doors, and windows; changes in type of finishes and flooring materials. The civil engineering works generally include site formation works (i.e. site clearance and site formation in preparation for foundation works), and foundation works (i.e. substructure works performed to provide ground or structural base for construction structures to be built upon it).

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below are the summarised financial information of the Group for the two years ended 31 March 2022 (“FY2022”) and 2023 (“FY2023”) as extracted from the 2023/3 AR, and further confirmed by the Company:

Operating performance

	FY2022	FY2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue, comprising	275,111	220,854
(i) Alternation and addition works	161,381	129,260
(ii) Civil engineering works	113,730	91,594
Direct costs	(252,250)	(207,032)
Gross profit	22,861	13,822
Gross profit margin	8.3%	6.3%
Other income	121	2,988
Other gains and losses, net	59	(25)
Reversal of (allowance for) impairment losses under expected credit loss model	(705)	829
Administrative expenses	(12,200)	(12,406)
Profit for the year attributable to the Shareholders	10,136	5,208

Financial position

	As at 31 March	
	2022	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets	25,299	25,990
Property, plant and equipment	1,100	1,791
Restricted bank deposits	24,199	24,199
Current assets	219,798	242,148
Trade and other receivables, deposits and prepayments	30,408	26,433
Contract assets	62,706	50,595
Bank deposits with original maturity more than three months	932	22,175
Cash and cash equivalents	125,752	142,945
Current liabilities	53,885	71,718
Trade, retention and other payables	53,855	62,770
Contract liabilities	30	8,876
Deferred income	–	72
Net current assets	165,913	170,430
Net assets	191,212	196,420
Gearing ratio (<i>Note</i>)	Nil	Nil

Note: The gearing ratio is calculated based on total borrowings divided by total equity.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

For FY2023, the Group's revenue decreased by approximately HK\$54.2 million or 19.7% to approximately HK\$220.9 million from approximately HK\$275.1 million for FY2022. As stated in 2023/3 AR, such revenue decrease was primarily because a project of civil engineering works segment with relatively higher contract sums had been substantially completed in FY2022, but the new project of civil engineering works segment undertaken in FY2023 was with relatively lower contract sums than that in FY2022.

The Group's gross profit decreased by approximately HK\$9.1 million or 39.5% to approximately HK\$13.8 million for FY2023 from approximately HK\$22.9 million for FY2022. Such decrease was primarily due to a decrease in revenue of civil engineering works segment as mentioned above notwithstanding there was an increase in gross profit from the alteration and addition works segment.

Profit for the year attributable to the Shareholders of approximately HK\$5.2 million for FY2023, representing a decrease by approximately HK\$4.9 million or 48.6% from approximately HK\$10.1 million for FY2022. Such decrease was mainly attributable to the decrease in gross profit as stated above.

As to the financial position of the Group, as shown in the table above, the Group recorded an increase in net assets by approximately HK\$5.2 million or 2.7% to approximately HK\$196.4 million as at 31 March 2023 from approximately HK\$191.2 million as at 31 March 2022, mainly due to increase in bank deposits with original maturity more than three months and cash and cash equivalents by approximately HK\$38.4 million in aggregate, partly offset by decrease in contract assets by approximately HK\$12.1 million, increase in trade, retention and other payables by approximately HK\$8.9 million, increase in contract liabilities by approximately HK\$8.8 million. The Group had no borrowings and thus recorded nil gearing ratio as at 31 March 2022 and 2023.

(b) Prospects of the Group

As stated in the 2023/3 AR, with the gradual removal of COVID-19 related restrictions in Hong Kong in FY2023, the construction market in Hong Kong is expected to recover progressively. We were confirmed by the Directors that they still maintain this view as at the Latest Practicable Date.

We have discussed with and understand from the Company that the prospects of construction industry in Hong Kong might be affected by many factors such as the sentiment of property market in Hong Kong. The future property market might be difficult to be predicted, given the combined effect of various factors affecting the demand for new or renovated properties, such as the hiking interest rate which affects the mortgage loan interest rate and thus home buyer sentiment and the possible increase in demand for Hong Kong properties (i) from people in mainland China after the lifting of COVID-19 related border control measures between mainland China and Hong Kong compared to time of breakout of COVID-19 in mainland China and Hong Kong, as it would be easier for them to come to Hong Kong to purchase or lease properties, and (ii) from people all over the world given the policies recently adopted by the Hong Kong Government leading to possible increase in the demand for housing, such as the Top Talent Pass Scheme which aims to attract top talents with rich work experience and good academic qualifications and/or those who meet certain level of annual income from all over the world to explore opportunities in Hong Kong. The

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

aforesaid demand for properties is expected to result in demand for construction of new properties and/or renovation of existing properties which requires construction contractors like the Group to undertake the civil engineering works and/or alteration and addition works, leading to a positive prospect of the construction industry and thus the business prospect of the Group.

Looking forward, the Group will continue to make effort in expanding its business network and customer base by closely monitoring the market conditions, actively participating in tendering sizable and profitable projects, and strengthening its cost control measures. Hence, the Directors remain cautiously optimistic to the construction industry in Hong Kong and believe that, with the efforts of the Group, the Group can maintain a healthy financial position and its competitiveness in the market.

According to the updated “Construction Expenditure Forecast” released in July 2023 by the Construction Industry Council¹, a council formed in 2007 of which the main functions are to forge consensus on long-term strategic issues, convey the industry’s needs and aspirations to the Hong Kong Government, as well as provide a communication channel for the Hong Kong Government to solicit advice on all construction-related matters, taking into account the latest market situation and information in both the public and private sectors and based on the price level in September 2022, it is forecasted that the annual construction expenditure in civil works for public sector in Hong Kong will achieve HK\$51 billion to HK\$61 billion for 2022-23, HK\$54 billion to HK\$66 billion for 2023-24 and HK\$56 billion to HK\$69 billion for 2024-25, compared to HK\$54.9 billion to HK\$56.3 billion in the last three years from 2019-20 to 2021-22, and the annual construction expenditure in repair, maintenance, alteration and additional works for public and private sector in Hong Kong will achieve HK\$62 billion to HK\$70 billion for 2022-23, HK\$64 billion to HK\$77 billion for 2023-24 and HK\$65 billion to HK\$78 billion for 2024-25, compared to HK\$62.6 billion to HK\$67.2 billion in the last three years from 2019-20 to 2021-22. Although there is no robust growth in the forecasted annual expenditure of the aforesaid sectors in which the Group are engaged, and even a lower amount is expected particularly in 2022-23 compared to last three years, such forecasted figures are considered indicating a continuing demand for and stable business opportunities to industry participants to undertake relevant construction works, especially the Group as a small scale contractor (by comparing its revenue of HK\$221 million for FY2023 to the aforesaid amount of forecasted market annual expenditure) specialising in alteration and addition works and civil engineering works in residential, office, public facilities or commercial property projects in the construction industry in Hong Kong, and thus positive prospects of the construction industry in Hong Kong and the Group’s business.

(2) Background of the Offeror and its intention on the Group

As stated in the Letter from Get Nice, the Offeror is a company incorporated in the British Virgin Islands, with limited liability. The Offeror is an investment holding company and has not conducted any business since its incorporation. It is held as to 65.45% by Mr. Kenichi Yanase, 28.05% by Dr. Hiroshi Kaneko and 6.50% by Ms. Pan Nan. The directors of the Offeror are Mr. Kenichi Yanase and Dr. Hiroshi Kaneko. At the Latest Practicable Date, the Offeror and parties acting in concert with it beneficially own 465,000,000 Shares, representing 75% of the total issued share capital of the Company.

¹ <https://www.cic.hk/eng/>

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Following the close of the Offer, the Offeror intends to continue the existing principal businesses of the Group. The Offeror has no intention to (i) discontinue the employment of any employees of the Group (except for the proposed change to the members of the Board); or (ii) redeploy the fixed assets of the Company other than those in its ordinary and usual course of business. The Offeror will continue to monitor and review the Group's business and operations from time to time, and may take steps that it deems necessary or appropriate to optimise the value of the Group. As at the Latest Practicable Date, the Offeror has no plan or intention to downsize or change the scale of the Group's existing principal business.

As further stated in the Letter from Get Nice, as confirmed by Mr. Yanase and Dr. Kaneko, being the directors and together as the controlling owners of the Offeror, they intend to leverage their extensive experience and network in the field of real estate development and investment in Japan to the business of the Group to facilitate the Group's construction business in Hong Kong and to achieve synergy in the value chain of the real estate industry, optimizing processes, enhancing efficiency, and maximizing the Group's overall performance in Hong Kong. The biographies of Mr. Yanase and Dr. Kaneko as stated in the Letter from Get Nice did not mention that they have experience in the nature same as the principal business of the Group, thus it is considered that their prior experience may not be directly relevant and whether they have sufficient industry knowledge to enhance the overall development of the Group is uncertain. Nevertheless, it is not feasible to justify whether their experience would be able to bring value to the Group at the current stage as they have not yet joined the Board and commenced their management over the Group's business. As stated in the Letter from Get Nice, they have participated in various kinds of development projects, including but not limited to theme parks, hotels, rental apartments, commercial buildings, renovation projects and senior flats, allowing them to bring valuable insights and networks to facilitate the Group's construction business in Hong Kong. The Shareholders should note the intention of the Offeror to (i) continue the existing principal business of the Group without any plan to downsize or change the scale, (ii) retain the existing employees of the Group to run the Group's business and (iii) take necessary or appropriate steps to optimise the value of the Group as stated above.

It is expected that the Offeror may require all of the Directors to resign from the Board from the earliest time permitted under the Takeovers Code. The Offeror intends to nominate Mr. Yanase as the chairman and an executive Director and Dr. Kaneko as an executive Director. The Offeror is in the course of identifying additional candidates for the Board subject to compliance with the Takeovers Code and the Listing Rules. The appointment of Director(s) nominated by the Offeror will not take effect earlier than the posting of the Composite Document in compliance with Rule 26.4 of the Takeovers Code. As at the Latest Practicable Date, save for the abovementioned, the Offeror has not reached any final decision as to the identities of the additional candidates for the Board.

The Offeror intends to maintain the listing of the Company on the Main Board of the Stock Exchange after the close of the Offer and does not intend to avail itself of any power of compulsory acquisition of any Shares. The directors of the Offeror and the new Directors to be nominated by the Offeror and appointed to the Board will jointly and severally undertake to the Stock Exchange to take appropriate steps following the close of the Offer to ensure that sufficient public float exists in the Shares.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Taking into the account of the above, save for the Offeror's intention regarding the Group as set out above, no immediate material change on the business operation of the Group is expected after the close of the Offer. Nevertheless, Independent Shareholders should be aware that the future operating performance of the Group will also be subject to the management by the new Board to be appointed and the long-term business plans and strategies for the future business development of the Group to be formulated by the Offeror after its review of the Group.

(3) The Offer

(a) *Principal terms of the Offer*

Get Nice, for and on behalf of the Offeror, is making the Offer at the Offer Price of HK\$0.503 in cash for each Offer Share. The Offer Price is the same as the price paid by the Offeror (rounded up to three decimal places) for each Sale Share pursuant to the Sale and Purchase Agreement. The Offer is unconditional in all respects and is not conditional upon acceptance being received in respect of a minimum number of Shares or any other conditions.

As at the Latest Practicable Date, there were 620,000,000 Shares in issue. The Company has no other outstanding warrants, options, derivatives or securities convertible into Shares and the Company has not entered into any agreement for the issue of such warrants, options, derivatives or securities.

(b) *Comparison of value*

The Offer Price of HK\$0.503 per Offer Share represents:

- (i) a discount of approximately 73.10% to the closing price of HK\$1.87 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 79.72 % to the closing price of HK\$2.48 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 79.39% to the average closing price of HK\$2.44 per Share as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 77.08% to the average closing price of approximately HK\$2.195 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 74.52% to the average closing price of approximately HK\$1.974 per Share as quoted on the Stock Exchange for the last 30 consecutive trading days up to and including the Last Trading Day; and

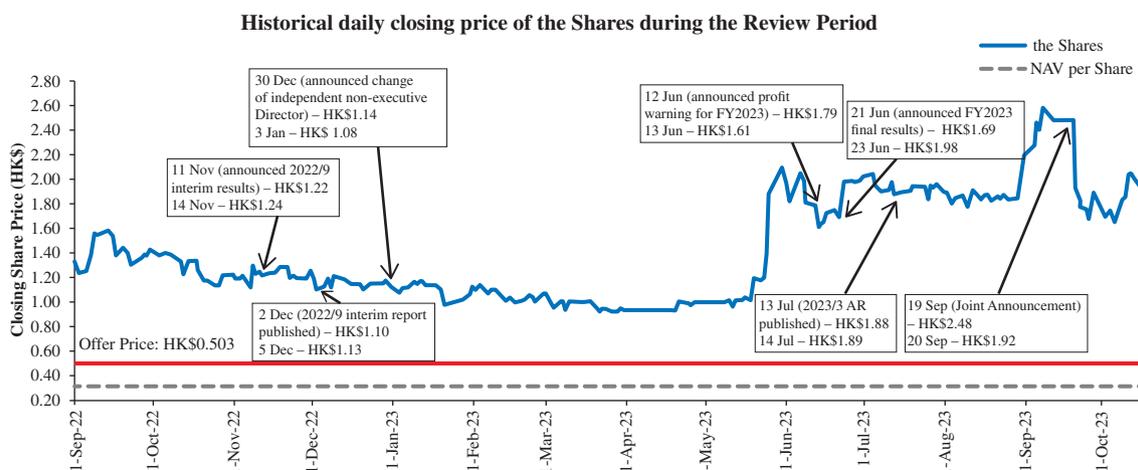
LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (vi) a premium of approximately 58.68% over the audited consolidated net asset value (“NAV”) per Share of approximately HK\$0.317 as at 31 March 2023, the date on which the latest audited financial results of the Group were made up (based on the Company’s audited consolidated NAV of approximately HK\$196,420,000 as at 31 March 2023 and 620,000,000 Shares in issue as at the Latest Practicable Date).

To assess the fairness and reasonableness of the Offer Price, we have analysed the Offer Price with reference to (i) the historical price performance of the Shares; (ii) the historical trading price against NAV per Share; (iii) the historical trading liquidity of the Shares; and (iv) the comparison with market comparables.

(i) *Historical price performance of the Shares*

The chart below depicts the closing price level of the Shares as quoted on the Stock Exchange from 1 September 2022 (being around 1-year period immediately preceding the Last Trading Day) and up to and including the Latest Practicable Date (the “**Review Period**”), and the comparison of the Share price performance and Offer Price with NAV per Share:



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

We consider the length of the Review Period to be reasonably long enough to illustrate the historical trend and level of movement of the closing prices of the Shares.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As shown in the chart above, there was a decreasing trend in the closing price of the Shares from HK\$1.58 at the beginning of the Review Period on 13 September 2022 to HK\$0.92 on 21 March 2023. Then, the closing price of the Shares remained steady from late March 2023 to mid-May 2023 and went upward and reached HK\$2.10 on 30 May 2023. It then moved between HK\$1.61 (13 June 2023) and HK\$2.58 on the last business day prior to the entering into of the Sale and Purchase Agreement (7 September 2023) and trading halt which commenced at 9 a.m. on 12 September 2023. Interim results announcement for the six months ended 30 September 2022, showing a decrease in revenue and net profit of the Group compared to the same period 2021, was published by the Company after trading hours on 11 November 2022. It is noted that there was a slight increase in the closing price of the Shares on the following trading day. Profit warning and annual results announcement for FY2023 were published by the Company after trading hours on 12 June 2023 and 21 June 2023 respectively. The closing price of the Shares decreased on the trading day following the publication of such profit warning announcement, but increased after publication of such annual results announcement. Other than that, no particular news was announced by the Company. We have made enquiries with the management of the Company and understood that they were not aware of any specific reason for the aforesaid upward or downward movement in the closing price of the Shares before the trading halt on 12 September 2023 pending the publication of the Joint Announcement.

Following the resumption of trading of the Shares on 20 September 2023, the Shares went downward and closed at HK\$1.92 per Share. We reckon that such decrease in the closing price of the Shares was likely due to the market reaction to the Joint Announcement. The closing price of the Shares then moved within the range from HK\$1.61 to HK\$2.02 and closed at HK\$1.87 on the Latest Practicable Date.

We noted that (i) the closing prices of the Shares had been staying well above the Offer Price throughout the Review Period; and (ii) the Offer Price represented a significant discount to the closing prices of the Shares of approximately 68.76% to 79.72% during the Offer Period from the date of the Joint Announcement (i.e. 19 September 2023) up to the Latest Practicable Date. Compared with the historical price performance of the Shares, the Offer Price is unattractive and hence not fair and not reasonable. While the closing price of the Shares continued to stay above the Offer Price after the Joint Announcement on 19 September 2023, the Independent Shareholders should also be aware that price movement of the Shares after the close of the Offer is uncertain as the price trend may be affected by many different factors such as the investors or Shareholders' view on the prospects of the Group under the management of the new Board to be appointed, the market trend and so on.

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

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(ii) *Historical trading price against NAV per Share*

As shown in the chart in (i) above, the Share closed at a premium over the NAV per Share throughout the Review Period. It is also noted that the NAV per Share remained steady although the trading price of the Shares went upward or downward during the Review Period, which indicated that investors might not have valued the Shares of the Company based solely on the underlying value of the Group's assets during the Review Period. Hence, despite the Offer Price represents a premium of approximately 58.68% over the audited consolidated NAV per Share of approximately HK\$0.317 as at 31 March 2023, such premium is considered less representative in accessing the fairness and reasonableness of the Offer Price, as compared to the day-to-day market value of the Shares.

(iii) *Historical trading liquidity of the Shares*

The table below sets out the trading volume of the Shares and the percentages of average daily trading volume to the total number of issued Shares and Shares held by the public Shareholders, respectively during the Review Period:

Month/period	Total trading volume for the month/period <i>Shares</i>	Number of trading days <i>days</i>	Average daily trading volume <i>Shares</i>	Average trading volume over total number of issued Shares <i>(Note 2)</i> %	Average daily trading volume over total number of issued Shares held by the public Shareholders <i>(Note 3)</i> %
2022					
September	8,435,000	21	401,667	0.06%	0.26%
October	1,700,000	20	85,000	0.01%	0.05%
November	4,495,000	22	204,318	0.03%	0.13%
December	32,317,500	20	1,615,875	0.26%	1.04%
2023					
January	1,967,500	18	109,306	0.02%	0.07%
February	5,645,000	20	282,250	0.05%	0.18%
March	2,085,000	23	90,652	0.01%	0.06%
April	28,117,500	17	1,653,971	0.27%	1.07%
May	27,345,000	21	1,302,143	0.21%	0.84%
June	8,492,500	21	404,405	0.07%	0.26%
July	8,294,800	20	414,740	0.07%	0.27%
August	6,057,500	23	263,370	0.04%	0.17%
September	12,512,500	13	962,500	0.16%	0.62%
October (up to the Latest Practicable Date)	4,982,500	11	452,955	0.07%	0.29%

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

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Notes:

1. Calculated by dividing the total trading volume for the month/period by the number of trading days during the month/period.
2. Calculated by dividing the average daily trading volumes of the Shares by the total issued Shares at the end of each month or as at the Latest Practicable Date, where applicable.
3. Calculated by dividing the average daily trading volumes of the Shares by the total issued Shares held by the public Shareholders at the end of each month or as at the Latest Practicable Date, where applicable.

The liquidity of the Shares was considered thin throughout the Review Period. During the Review Period, the average daily trading volume ranged from approximately 85,000 Shares (in October 2022) to approximately 1,653,971 Shares (in April 2023), representing approximately 0.01% to 0.27% of the total number of issued Shares, and approximately 0.05% to 1.07% of the total number of issued Shares held by the public Shareholders, as at the end of the respective month/period. We noticed that the trading volume of Shares was higher in December 2022, April and May 2023 compared to the other months during the Review Period, particularly 6 December 2022, 20 and 24 April 2023 and 10 May 2023 on which the daily trading volume was over 10,000,000 Shares. We have enquired the management of the Group on that and were advised that they were not aware of any particular reason that led to such higher trading volume on those dates as no particular news was announced by the Company before those dates, apart from the publication of the interim report of the Group after trading hours on 2 December 2022 whilst the relevant results announcement has already been published previously on 11 November 2022.

Given the inactive trading of the Shares, the Independent Shareholders (especially those with relatively sizeable shareholdings) may encounter difficulties in selling a significant number of Shares in the open market at a fixed cash price within a short period of time without disturbing the market price. While the Offer provides an exit alternative at the Offer Price for the Independent Shareholders who would like to realise their investments in the Shares at a fixed price and within a short period of time, those Shareholders are also advised to consider to sell their Shares in the open market instead of accepting the Offer given the closing prices of the Shares had been staying well above the Offer Price throughout the Review Period, after taking into account the possible pressure on the Share price when selling in bulk. Independent Shareholders should also be aware that they may have to sell their Shares in the market by batches if they do not accept the Offer, given the average daily trading volume of the Shares in the preceding year from September 2022 ranged from approximately 85,000 Shares to 1.7 million Shares as shown in the table above.

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(iv) *Peer comparison*

We noted that the trading multiples analysis of price to earnings ratio (the “**P/E Ratio**”) and price to book ratio (the “**P/B Ratio**”) of comparable companies are commonly adopted approaches in assessing an offer price. In assessing the fairness and reasonableness of the Offer Price, we have conducted a search of companies listed on the main board of the Stock Exchange with business similar with that of the Group, and with market capitalisation within the range of HK\$100 million to HK\$500 million as at the Latest Practicable Date, given the market capitalisation of approximately HK\$312 million of the Company as represented by the Offer Price.

The Company is principally engaged in providing (a) alteration and addition works and (b) civil engineering works in Hong Kong, which contributed approximately 59% and 41% to the Group total revenue for FY2023. No main board listed company of similar market capitalisation which principally engaged in the provision of both (a) alteration and addition works and (b) civil engineering works in Hong Kong and generated similar portion of revenue from them in the preceding financial year can be identified. Nevertheless, we have identified an exhaustive list of 17 main board listed companies (the “**Comparable Companies**”), with market capitalisation within the aforesaid range, which principally engaged in and generated over 50% of its revenue in its preceding financial year from the provision of either (a) alteration and addition works or (b) civil engineering works in Hong Kong. The selection criteria is considered fair and reasonable as (i) both (a) alteration and addition works and (b) civil engineering works are related to construction works of properties; and (ii) similar market capitalisation indicated that the companies are of similar size. Hence, the comparison of P/E Ratio and P/B Ratio as represented by the Offer Price with that of the Comparable Companies is considered meaningful.

Stock Code	Company	Principal business	Market capitalisation as at the Latest Practicable Date <i>HK\$'000</i> <i>(Note 1)</i>	Respective revenue contribution from the provision of (a) alteration and addition works and/or (b) civil engineering works in Hong Kong <i>%</i> <i>(Note 2)</i>	Profit/(loss) attributable to shareholders of the company <i>HK\$'000</i> <i>(Note 2)</i>	Net asset value <i>HK\$'000</i> <i>(Note 2)</i>	P/E Ratio <i>Times</i> <i>(Note 3)</i>	P/B Ratio <i>Times</i> <i>(Note 4)</i>
368	Superland Group Holdings Limited	Provision of fitting-out services and repair and maintenance services to residential and commercial properties	304,000	(a) 98.9	28,065	178,984	10.83	1.70

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Stock Code	Company	Principal business	Market capitalisation as at the Latest Practicable Date <i>HK\$'000</i> <i>(Note 1)</i>	Respective revenue contribution from the provision of (a) alteration and addition works and/or (b) civil engineering works in Hong Kong <i>%</i> <i>(Note 2)</i>		Profit/(loss) attributable to shareholders of the company <i>HK\$'000</i> <i>(Note 2)</i>	Net asset value <i>HK\$'000</i> <i>(Note 2)</i>	P/E Ratio <i>Times</i> <i>(Note 3)</i>	P/B Ratio <i>Times</i> <i>(Note 4)</i>
784	Ling Yui Holdings Limited	Provision of foundation engineering services	100,000	(b) 100	(30,039)	76,793	N/A <i>(Note 6)</i>	1.30	
1034	Fullwealth International Group Holdings Limited	Provision of civil engineering, building and other works; and education and training business	315,200	(b) 54.2	71,849	253,912	4.39	1.24	
1413	Kwong Luen Engineering Holdings Limited	Provision of construction services	280,000	(b) 100	1,001	249,121	279.72 <i>(Note 5)</i>	1.12	
1447	SFK Construction Holdings Limited	General building, civil engineering and the provision of other services	204,000	(a) 75.8 (b) 16.7	18,729	371,844	10.89	0.55	
1500	In Construction Holdings Limited	Undertaking foundation works as well as associated works including demolition works, site formation works, ground investigation field works and general building works	141,100	(b) 100	(15,329)	274,435	N/A <i>(Note 6)</i>	0.51	
1547	IBI Group Holdings Limited	Provision of renovation services as a main contractor for property projects, strategic investments, property investments and provision of products and services with a focus on air quality, energy efficiency and modern sustainable building materials	150,400	(a) 96.6	2,800	162,764	53.71	0.92	

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Stock Code	Company	Principal business	Market capitalisation as at the Latest Practicable Date <i>HK\$'000</i> <i>(Note 1)</i>	Respective revenue contribution from the provision of (a) alteration and addition works and/or (b) civil engineering works in Hong Kong		Profit/(loss) attributable to shareholders of the company <i>HK\$'000</i> <i>(Note 2)</i>	Net asset value <i>HK\$'000</i> <i>(Note 2)</i>	P/E Ratio <i>Times</i> <i>(Note 3)</i>	P/B Ratio <i>Times</i> <i>(Note 4)</i>
				<i>%</i> <i>(Note 2)</i>	<i>HK\$'000</i> <i>(Note 2)</i>				
1556	Chinney Kin Wing Holdings Limited	Provision of foundation construction and drilling and site investigation works	316,500	(b) 80.5	96,024	653,160	3.30	0.48	
1557	K.H. Group Holdings Limited	Provision of foundation and construction services; leasing of machinery and trading of electronic devices	160,000	(b) 100	(74,115)	1,026	N/A <i>(Note 6)</i>	155.95 <i>(Note 5)</i>	
1667	Dimmi Life Holdings Limited	Provision of construction and engineering services; property development and investment; and development, marketing and sale of lifestyle products	129,600	(a) 74.8	(26,642)	10,257	N/A <i>(Note 6)</i>	12.64	
1707	Geotech Holdings Ltd.	Provision of construction and engineering services; and property-related services	324,240	(b) 97.1	(31,693)	193,709	N/A <i>(Note 6)</i>	1.67	
1757	Affluent Foundation Holdings Limited	Provision of services related to foundation works	280,800	(b) 100	810	85,663	346.67 <i>(Note 5)</i>	3.28	
2132	Landrich Holding Limited	Provision of construction engineering works	488,000	(b) 100	32,791	288,661	14.88	1.69	
2193	Man King Holdings Limited	Provision of civil engineering works	151,134	(b) 100	42,135	310,837	3.59	0.49	
2195	Unity Enterprise Holdings Limited	Provision of repair, maintenance, alteration and addition works services	360,000	(a) 100	(7,409)	155,293	N/A <i>(Note 6)</i>	2.32	

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Stock Code	Company	Principal business	Market capitalisation as at the Latest Practicable Date	Respective revenue contribution from the provision of (a) alteration and addition works and/or (b) civil engineering works in Hong Kong	Profit/(loss) attributable to shareholders of the company	Net asset value	P/E Ratio	P/B Ratio
			HK\$'000	%	HK\$'000	HK\$'000	Times	Times
			(Note 1)	(Note 2)	(Note 2)	(Note 2)	(Note 3)	(Note 4)
6829	Dragon Rise Group Holdings Limited	Undertaking foundation works	132,000	(b) 99.7	7,923	263,282	16.66	0.50
9900	Gain Plus Holdings Limited	Provision of building construction services and repair, maintenance, addition and alteration services	368,280	(a) 93.0	56,758	288,135	6.49	1.28
						Maximum	53.71	12.64
						Minimum	3.30	0.48
						Average	13.86	1.98
						Median	10.83	1.26
1780	The Company	Provision of (a) alteration and addition works and (b) civil engineering works	311,860	(a) 58.5 (b) 41.5	5,208	196,420	59.88	1.59

Source: Website of the Stock Exchange (www.hkex.com.hk) and the respective annual report and/or results announcement of the Company and the Comparable Companies

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Notes:

1. Market capitalisation of the Comparable Companies are calculated based on their respective closing price as quoted on the Stock Exchange and number of issued shares based on their latest published information as at the Latest Practicable Date. Market capitalisation of the Company, as represented by the Offer Price, is calculated based on the Offer Price of HK\$0.503 per Offer Share and 620,000,000 Shares in issue as at the Latest Practicable Date.
2. Figures extracted from or calculated based on information in the latest published results announcement or report of the Comparable Companies.
3. P/E Ratio of the Comparable Companies are calculated by dividing their respective market capitalisation by their respective consolidated profit attributable to the shareholders, as extracted from their latest published financial statements. Implied P/E Ratio of the Company is calculated by dividing its market capitalisation, as represented by the Offer Price, by its consolidated profit attributable to the Shareholders for FY2023.
4. P/B Ratio of the Comparable Companies are calculated by dividing their respective market capitalisation by their respective consolidated NAV, as extracted from their latest published financial statements. Implied P/B Ratio of the Company is calculated by dividing its market capitalisation, as represented by the Offer Price, by its consolidated NAV as at 31 March 2023.
5. These extraordinary high figures of over 100%, compared to that of the other Comparable Companies which ranged from approximately 0.44 times to approximately 49.71 times, were considered as outliers and were excluded in the analysis of P/E Ratio or P/B Ratio.
6. "N/A" as these Comparable Companies recorded consolidated loss attributable to the shareholders in their latest published financial year, and thus the calculation of the P/E Ratio is not applicable. These companies have not been taken into consideration in calculating the average and median P/E Ratio of the Comparable Companies.

The P/E Ratios of the Comparable Companies ranged from approximately 3.30 times to 53.71 times, with an average and median of approximately 13.86 times and 10.83 times respectively. Based on their respective latest published annual reports and/or annual results announcement, the profit/loss attributable to the shareholders recorded by the Comparable Companies ranged from a loss of approximately HK\$87.1 million to a profit of approximately HK\$96.0 million. The implied P/E Ratio of the Company of approximately 59.88 times, as represented by the Offer Price, is much higher than the P/E Ratios of all the Comparable Companies.

The P/B Ratios of the Comparable Companies ranged from approximately 0.48 times to 12.64 times, with an average and median of approximately 1.98 times and 1.26 times respectively. Based on their respective latest published annual reports and/or annual results announcement, the NAV recorded by the Comparable Companies ranged from approximately HK\$1.0 million to approximately HK\$653.2 million. The implied P/B Ratio of the Company, as represented by the Offer Price, is approximately 1.59 times, which falls within the range and is above the median of the Comparable Companies.

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RECOMMENDATION

Having considered that, on one hand the Offer Price represents a high implied P/E Ratio of the Company as compared with the Comparable Companies, and on the other hand

- (a) the Offer Price is unattractive, given it is lower than the closing price of the Shares throughout the Review Period, and it represents a discount to the Share closing price on the Last Trading Day, the average Share closing price for the last five (5), ten (10) and thirty (30) consecutive trading days up to and including the Last Trading Day; and a discount of approximately 73.10% to the closing price of HK\$1.87 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (b) given the trading price of the Shares went upward or downward during the Review Period regardless NAV per Share remained steady during the period, it is considered that the premium of the Offer Price over the audited consolidated NAV per Share as at 31 March 2023 is less representative in assessing the fairness and reasonableness of the Offer Price as compared to the day-to-day market value of the Shares, as investors might not have valued the Shares of the Company based solely on the underlying value of the Group's assets;
- (c) the Shareholders who would like to realise their investment in the Shares may consider to grasp the opportunity to sell their Shares in the open market gradually at a price higher than the Offer Price taking into account the risk that selling the Shares in bulk in the market may exert downward pressure on the market price of the Shares, instead of accepting the Offer, given there were tradings in the Shares every month during the Review Period despite thin, and the closing price of the Shares in the recent months since June 2023 (which peaked at HK\$2.58 on 7 September 2023) was much higher than the Offer Price as shown in the price chart under the paragraphs headed "Historical price performance of the Shares" above;
- (d) despite revenue and profit decrease in FY2023 compared to FY2022, (i) the Group had no liquidity problem to continue its operation and business as indicated in the accountants' report set out in the 2023/3 AR, (ii) the Offeror intends to continue the existing principal business of the Group without downsizing as mentioned above, and (iii) as advised by the Company, the management of the Group will further expand its business network and customer base by closely monitoring the market conditions, actively participating in tendering sizable and profitable projects, and strengthening the cost control measures of the Group;

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- (e) the positive prospects of the Group as considered by the Company in light of (i) the expected ongoing market construction expenditure in civil works and repair, maintenance, alteration and additional works in the public or private sectors in Hong Kong, as reflected in the “Construction Expenditure Forecast” released by the Construction Industry Council in July 2023 mentioned above, which the Group is engaged in in the coming future, indicating a continuing demand for and stable business opportunities to industry participants to undertake relevant construction works, especially the Group as a small scale contractor specialising in alteration and addition works and civil engineering works in the construction industry in Hong Kong compared to the amount of forecasted annual construction expenditure of the market; and (ii) the possible demand for Hong Kong new or renovated properties from people in mainland China after the lifting of COVID-19 related border control measures between mainland China and Hong Kong and the policies recently adopted by the Hong Kong Government attracting talents and thus housing demand in Hong Kong from all over the world, resulting in demand for construction or alternation services of properties in Hong Kong; and
- (f) the intention of the Offeror to (i) continue the existing principal business of the Group without any plan to downsize or change the scale, (ii) retain the existing employees of the Group to run the Group’s business and (iii) take necessary or appropriate steps to optimise the value of the Group after reviewing the Group’s business after joining the Board, even though it is not feasible to justify whether Mr. Yanase and Dr. Kaneko would be able to bring value to the Group at the current stage as they have not yet joined the Board and commenced their management over the Group’s business, after taking into account that, as stated in the Letter from Get Nice, their prior experience may not be directly relevant to the principal business of the Group while they have participated in various kinds of development projects allowing them to bring valuable insights and networks to facilitate the Group’s construction business in Hong Kong,

we are of the view that, on balance, the Offer is not fair and not reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Board Committee to recommend the Independent Shareholders not to accept the Offer.

Independent Shareholders are advised to consider all the factors above before deciding whether to accept the Offer. Given the closing price of the Shares as at the Latest Practicable Date was above the Offer Price, the Independent Shareholders who wish to realise their investments in the Shares should consider to sell their Shares in the open market instead of accepting the Offer, if the net proceeds from such sale of Shares would exceed the net amount receivable under the Offer. Contrary to the Offer Price which is fixed, the Independent Shareholders (especially those with relatively sizeable shareholdings) should beware of the possible difficulties in selling a significant number of Shares in the open market at a fixed cash price within a short period of time as stated above.

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Independent Shareholders should also carefully monitor the operating and financial performance of the Group and the intention of the Offeror and the new Board in relation to the development strategy of the Group, and beware of the potential difficulties they may encounter in disposing of their investments in the Shares after the close of the Offer. They should seek advice from their own professional advisers prior to making any investment decision.

Yours faithfully,
For and on behalf of
Capital 9 Limited

Chu Tat Hoi **Chan Man Yee**
Managing Director *Director*

Chu Tat Hoi and Chan Man Yee are licensed persons and responsible officers of Capital 9 Limited registered with the Securities and Futures Commission to carry out Type 6 (advising on corporate finance) regulated activity under the SFO and have over 20 years and 15 years of experience in the corporate finance industry.

1. GENERAL PROCEDURES FOR ACCEPTANCE OF THE OFFER

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

- (a) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) or evidence of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in your name and you wish to accept the Offer in respect of your Shares (whether in full or in part), you must send the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) or evidence of title (and/or any satisfactory indemnity or indemnities required in respect thereof) for the number of Shares in respect of which you intend to accept the Offer, by post or by hand, to the Registrar, Boardroom Share Registrars (HK) Limited at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, in an envelope marked “**B & D Strategic Holdings Limited – Offer**”, as soon as possible, and, in any event no later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and announce with the consent of the Executive.

- (b) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) or evidence of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in the name of a nominee company or a name other than your own and you wish to accept the Offer in full or in part, you must either:
 - (i) lodge your share certificate(s) and/or transfer receipt(s) and/or any other document(s) or evidence of title (and/or any satisfactory indemnity or indemnities required in respect thereof) with the nominee company, or other nominee, and with instructions authorising it to accept the Offer on your behalf and requesting it to deliver in an envelope marked “**B & D Strategic Holdings Limited – Offer**” the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) or evidence of title (and/or any satisfactory indemnity or indemnities required in respect thereof) for the number of Shares in respect of which you intend to accept the Offer to the Registrar; or

 - (ii) arrange for the Shares to be registered in your name by the Company, through the Registrar, and send in an envelope marked “**B & D Strategic Holdings Limited – Offer**” the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) or evidence of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar; or

- (iii) if your Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees to accept the Offer on your behalf on or before the deadline set by HKSCC Nominees. In order to meet the deadline set by HKSCC Nominees, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on processing your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or
- (iv) if your Shares have been lodged with your Investor Participant's account maintained with CCASS, authorise your instruction via the CCASS Phone System or CCASS Internet System before the deadline set by HKSCC Nominees.

If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) or evidence of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the Offer in respect of your Shares, the Form of Acceptance should nevertheless be duly completed and signed and delivered in an envelope marked "**B & D Strategic Holdings Limited – Offer**" to the Registrar together with a letter stating that you have lost one or more of your share certificates and/or transfer receipt(s) and/or other document(s) or evidence of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares or that it/they is/are not readily available. If you find such document(s) or if it/they become(s) available, it/they should be forwarded to the Registrar as soon as possible thereafter.

- (c) If you have lost your share certificate(s) and/or transfer receipt(s) and/or other document(s) or evidence of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares, you should also write to the Registrar requesting a letter of indemnity which, when completed in accordance with the instructions given, should be returned to the Registrar. The Offeror shall have the absolute discretion to decide whether any Share(s) in respect of which the share certificate(s) and/or transfer receipt(s) and/or any other document(s) or evidence of title is/are not readily available and/or is/are lost will be taken up by the Offeror.
- (d) If you have lodged transfer(s) of any of your Shares for registration in your name and have not received your share certificate(s) and you wish to accept the Offer in respect of your Shares, you should nevertheless complete and sign the Form of Acceptance and deliver it in an envelope marked "**B & D Strategic Holdings Limited – Offer**" to the Registrar together with the transfer receipt(s) duly signed by you. Such action will be deemed to be an irrevocable authority to Get Nice and/or the Offeror or their respective agent(s) to collect from the Company or the Registrar on your behalf the relevant share certificate(s) when issued and to deliver such share certificate(s) to the Registrar and to authorise and instruct the Registrar to hold such share certificate(s), subject to the terms and conditions of the Offer, as if it/they were delivered to the Registrar with the Form of Acceptance.

- (e) Acceptance of the Offer will be treated as valid only if the duly completed and signed Form of Acceptance is received by the Registrar no later than 4:00 p.m. (Hong Kong time) on the Closing Date or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code and the Registrar has recorded that the Form of Acceptance and any relevant documents required have been so received, and is:
- (i) accompanied by the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) or evidence of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and, if that/those share certificate(s) is/are not in your name, such other documents (e.g. a duly stamped transfer of the relevant Shares in blank or in favour of the acceptor executed by the registered holder) in order to establish your right to become the registered holder of the relevant Shares; or
 - (ii) from a registered Shareholder or his personal representatives (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Shares which are not taken into account under the other sub-paragraphs of this paragraph (e)); or
 - (iii) certified by the Registrar or the Stock Exchange.

If the Form of Acceptance is executed by a person other than the registered Shareholder, appropriate documentary evidence of authority (e.g. grant of probate or certified copy of a power of attorney) to the satisfaction of the Registrar must be produced.

- (f) No acknowledgment of receipt of any Form of Acceptance, share certificate(s) and/or transfer receipt(s) and/or any other document(s) or evidence of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

References to the Offer in this Composite Document and in the Form of Acceptance shall include any extension and/or revision thereof.

In making their decision, the Shareholders must rely on their own examination of the Group and the terms of the Offer, respectively, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained herein together with the Form of Acceptance, shall not be construed as any legal or business advice on the part of any of the Offeror, the Company, Get Nice, the Independent Financial Adviser, the Registrar, or their respective professional advisers. Shareholders should consult their own professional advisers for professional advice.

2. SETTLEMENT

Provided that the Form of Acceptance, together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the relevant Shares are valid, complete and in good order and have been received by the Registrar no later than 4:00 p.m. (Hong Kong time) on the Closing Date or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code, a cheque or a banker's cashier order for the amount due to an Accepting Shareholder less seller's ad valorem stamp duty in respect of the Offer Shares for which the Offer is accepted (and, if applicable, the fees payable to the Registrar in respect of lost or unavailable share certificate) will be despatched to such Shareholder by ordinary post at his/her/its own risks as soon as possible, but in any event within seven (7) Business Days following the date on which the duly completed Form of Acceptance and the relevant documents of title in respect of such acceptance are received by the Registrar to render each such acceptance complete and valid.

Settlement of the consideration to which any Accepting Shareholder is entitled under the Offer will be paid by the Offeror in full in accordance with the terms of the Offer (save with respect of the payment of seller's ad valorem stamp duty for Offer Shares tendered for acceptance and, if applicable, the fees payable to the Registrar in respect of lost or unavailable certificate) set out in this Composite Document (including this Appendix) and the relevant accompanying Form of Acceptance, without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Accepting Shareholder.

No fractions of a cent will be payable and the amount of cash consideration payable to an Accepting Shareholder will be rounded up to the nearest cent.

Shareholders are recommended to consult their professional advisers if they are in doubt as to the above procedures.

3. ACCEPTANCE PERIOD AND REVISIONS

Unless the Offer have previously been revised or extended with the consent of the Executive, to be valid, the Form of Acceptance must be received by the Registrar by 4:00 p.m. (Hong Kong time) on the Closing Date in accordance with the instructions printed on the Form of Acceptance.

If the Offer is extended, the announcement of such extension will state the next closing date or a statement that the Offer will remain open until further notice. In the latter case, at least 14 days' notice in writing must be given to the Shareholders before the Offer is closed. If, in the course of the Offer, the Offeror revises the terms of the Offer, all Shareholders, whether or not they have already accepted the Offer, will be entitled to accept the revised Offer under the revised terms. The revised Offer will be kept open for at least 14 days thereafter.

If the Closing Date is extended, any reference in this Composite Document and in the Form of Acceptance to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the subsequent closing date.

4. ANNOUNCEMENT

By 6:00 p.m. on the Closing Date (or such later time and/or date as the Executive may in exceptional circumstances permit), the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the expiry, revision and extension of the Offer. The Offeror must publish an announcement on the Stock Exchange's website by 7:00 p.m. on the Closing Date stating the results of the Offer and whether the Offer have been revised, extended or expired or has closed for acceptance.

The announcement will state the following:

- (i) the total number of Offer Shares and rights over Offer Shares for which acceptances of the Offer have been received;
- (ii) the total number of Shares and rights over Shares held, controlled or directed by the Offeror and parties acting in concert with it before the Offer Period;
- (iii) the total number of Shares and rights over Shares acquired or agreed to be acquired during the Offer Period by the Offeror and parties acting in concert with it;
- (iv) details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeover Code) in which any member of the Offeror and parties acting in concert with it have borrowed or lent, save for any borrowed Shares which have been either on-lent or sold; and
- (v) the percentages of the relevant classes of share capital of the Company and the percentages of voting rights of the Company represented by these numbers of Shares.

In computing the total number of Shares represented by acceptances, only valid acceptances that are complete, in good order and fulfil the acceptance conditions set out in this Appendix, which have been received by the Registrar (for Offer) no later than 4:00 p.m. on the Closing Date, being the latest time and date for acceptance of the Offer, shall be included.

As required under the Takeovers Code, all announcements in respect of the Offer must be made in accordance with the requirements of the Takeovers Code and the Listing Rules.

5. NOMINEE REGISTRATION

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

6. RIGHT OF WITHDRAWAL

As the Offer is unconditional, acceptance of the Offer tendered by Independent Shareholders shall be irrevocable and cannot be withdrawn, except in the circumstances set out in the following paragraph.

Under Rule 19.2 of the Takeovers Code, if the Offeror is unable to comply with the requirements of making announcement relating to the Offer set out in paragraph headed “4. ANNOUNCEMENT” in this Appendix, the Executive may require that Accepting Shareholders be granted a right of withdrawal, on terms acceptable to the Executive, until such requirements can be met. In such case, when any Independent Shareholder(s) withdraw their acceptance(s), the Offeror shall, at the own risk of the respective Independent Shareholder(s), as soon as possible but in any event no later than seven (7) Business Days thereof, return by ordinary post the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) or evidence of title (and/or satisfactory indemnity or indemnities required in respect thereof) lodged with the Form(s) of Acceptance to the relevant Independent Shareholders.

7. EFFECT OF ACCEPTANCE OF THE OFFER

Under the terms of the Offer, the Offer Shares will be acquired fully paid and free from all liens, charges, options, claims, equity, rights of pre-emption and any other third party rights or encumbrances of any nature whatsoever and together with all rights attaching to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date on which the Offer is made (i.e. being the date of despatch of this Composite Document).

8. HONG KONG STAMP DUTY

The seller’s Hong Kong ad valorem stamp duty arising in connection with acceptances of the Offer will be payable by the relevant Independent Shareholders at a rate of 0.13% of the higher of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Offer, and will be deducted from the amount payable by the Offeror to the relevant Independent Shareholders on acceptance of the Offer. Where the amount of stamp duty is a fraction of a dollar, the stamp duty will be rounded up to the nearest dollar. The Offeror will arrange for payment of the seller’s ad valorem stamp duty on behalf of those Independent Shareholders accepting the Offer. The Offeror will bear buyer’s ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Offer Shares.

9. 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, the Company, Get Nice, the Independent Financial Adviser, the Registrar and their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offer is in a position to advise the Shareholders on their individual tax implications, nor do they accept responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

10. 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 observe any applicable legal or 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 overseas 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 overseas jurisdictions).

Acceptance of the Offer by any Overseas Shareholder will be deemed to constitute a representation and warranty from such Overseas Shareholder to the Offeror that such Overseas Shareholder has observed and is permitted under all applicable laws and regulations to receive and accept the Offer, and any revision thereof, and that such person has obtained all requisite governmental, exchange control or other consents in compliance with all necessary formalities and regulatory or legal requirements and has paid all issue, transfer or other taxes or duties or other required payments due from such accepting Overseas Shareholder in connection with such acceptance in any territory, and that such acceptance shall be valid and binding in accordance with all applicable laws and regulations. The Overseas Shareholders should consult their professional advisers if in doubt.

11. GENERAL

- a. All communications, notices, the Form of Acceptance, share certificates, transfer receipts, other documents or evidence of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to be delivered by or sent to or from Shareholders will be delivered by or sent to or from them, or their designated agents, through post at their own risk, and none of the Offeror, its ultimate beneficial owner and parties acting in concert with any of them, the Company, Get Nice, the Independent Financial Adviser, the Registrar or any of their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offer accepts any liability for any loss or delay in postage or any other liabilities that may arise as a result thereof.
- b. Under the terms of the Offer, the Offer Shares will be acquired fully paid and free from all liens, charges, options, claims, equity, rights of pre-emption and any other third party rights or encumbrances of any nature whatsoever and together with all rights attaching to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date on which the Offer is made (i.e. being the date of despatch of this Composite Document).
- c. Acceptance of the Offer by any nominee will be deemed to constitute a warranty by such nominee to the Offeror that the number of Offer Shares in respect of which it is indicated in the Form of Acceptance is the aggregate number of Offer Shares held by such nominee for such beneficial owners who accept the Offer.
- d. The provisions set out in the Form of Acceptance form part of the terms of the Offer.

- e. Due execution of the Form of Acceptance will constitute an irrevocable authority to the Offeror, Get Nice and/or the Registrar (or any of their respective ultimate beneficial owners, directors, officers, agents or associates) to complete, and execute any document on behalf of the Accepting Shareholder and to do any other act that may be necessary or expedient for the purposes of vesting in the Offeror (or such person or persons as it may direct) the Offer Shares in respect of which such person has accepted the Offer.
- f. The accidental omission to despatch this Composite Document and/or the Form of Acceptance or any of them to any person to whom the Offer are made will not invalidate the Offer in any way.
- g. The Offer and all acceptances thereof will be governed by and construed in accordance with the laws of Hong Kong.
- h. Any Independent Shareholders accepting the Offer will be responsible for payment of any transfer or cancellation or other taxes or duties payable in respect of the relevant jurisdiction due by such persons.
- i. In making their decision, Independent Shareholders must rely on their own examination of the Group and the terms of the Offer, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained herein together with the Form of Acceptance, shall not be construed as any legal or business advice on the part of the Offeror, the Company, Get Nice, the Independent Financial Adviser. Shareholders should consult their own professional advisers for professional advice.
- j. The English text of this Composite Document and of the accompanying Form of Acceptance shall prevail over the Chinese text in case of any inconsistency.

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

The following is a summary of the financial results of the Group for each of the three years ended 31 March 2021, 2022 and 2023 (as extracted from the audited consolidated financial statements of the Group set forth in the annual reports of the Company for the financial years ended 31 March 2021, 31 March 2022 and 31 March 2023).

	For the years ended 31 March		
	2021	2022	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)	(audited)
Revenue	218,746	275,111	220,854
Direct cost	(249,362)	(252,250)	(207,032)
Gross profit/(loss)	(30,616)	22,861	13,822
Other income	3,675	121	2,988
Other gains and losses, net	446	59	(25)
Reversal of/(allowance for) impairment losses under expected credit loss model	(1,560)	(705)	829
Administrative expenses	(13,671)	(12,200)	(12,406)
Finance costs	(4)	–	–
Profit/(loss) before tax	(41,730)	10,136	5,208
Income tax credit	1,784	–	–
Profit/(loss) and total comprehensive income/(expense) for the year attributable to the owners of the Company	(39,946)	10,136	5,208
Basic earnings/(loss) per Share <i>(HK cents)</i>	(6.44)	1.63	0.84

On 1 November 2021, the Board has declared an interim dividend of HK cents 6.45 per Share for the six months ended 30 September 2021. Save as disclosed above, no dividend was paid or proposed by the Company during each of the three years ended 31 March 2021, 2022 and 2023.

Save as disclosed above, the Group did not have any item of income or expense which was material for each of the three years ended 31 March 2021, 2022 and 2023.

The consolidated financial statements of the Group for each of the three financial years ended 31 March 2021, 2022 and 2023 were audited by Deloitte Touche Tohmatsu and did not contain any qualified or modified opinion, nor any emphasis of matter or material uncertainty related to going concern.

There was no change in the Group's accounting policy during each of the three financial years ended 31 March 2021, 2022 and 2023 which would result in the figures in its consolidated financial statements being not comparable to a material extent.

2. FINANCIAL STATEMENTS OF THE GROUP AND SIGNIFICANT ACCOUNTING POLICIES

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

The audited consolidated financial statements of the Group for the year ended 31 March 2021 (the “**2020/21 Financial Statements**”) has been set out on pages 60 to 114 of the annual report of the Company for the year ended 31 March 2021 which was posted on 24 June 2021 on the Stock Exchange’s website. Please also see below a direct link:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0624/2021062400321.pdf>

The audited consolidated financial statements of the Group for the year ended 31 March 2022 (the “**2021/22 Financial Statements**”) has been set out on pages 69 to 122 of the annual report of the Company for the year ended 31 March 2022 which was posted on 24 June 2022 on the Stock Exchange’s website. Please also see below a direct link:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0624/2022062400493.pdf>

The audited consolidated financial statements of the Group for the year ended 31 March 2023 (the “**2022/23 Financial Statements**”) has been set out on pages 69 to 118 of the annual report of the Company for the year ended 31 March 2023 which was posted on 13 July 2023 on the Stock Exchange’s website. Please also see below a direct link:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0713/2023071300636.pdf>

The 2020/21 Financial Statements, the 2021/22 Financial Statements, and the 2022/23 Financial Statements (but not any other part of the annual reports of the Company for three years ended 31 March 2021, 2022 and 2023 in which they respectively appear) are incorporated by reference into this Composite Document and form part of this Composite Document.

3. MATERIAL CHANGE

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

4. INDEBTEDNESS STATEMENT

As at the close of business on 31 August 2023, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this Composite Document, the Group had outstanding indebtedness comprising 1) lease liabilities of approximately HK\$191,000 relating to right-of-use asset in respect of a leased property which was secured by a rental deposit and unguaranteed; and 2) a performance bond of HK\$24,199,000, in relation to our normal course of business, issued under our bank facility which was secured by the Group's bank deposit and was guaranteed by a director of the Company in favour of the bank.

Save as aforesaid and apart from intra-group liabilities, the Group did not, as at the close of business on 31 August 2023, have any material outstanding (i) debt securities, whether issued and outstanding, authorized or otherwise created but unissued or term loan, whether guaranteed, unguaranteed, secured (whether the security is provided by the Company or by third parties) or unsecured; (ii) borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or finance lease commitments, whether guaranteed, unguaranteed, secured and unsecured; (iii) mortgages or charges; or (iv) other guarantees or any material contingent liabilities.

1. RESPONSIBILITY STATEMENT

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

2. SHARE CAPITAL

As at the Latest Practicable Date:

	Shares	Amount <i>HK\$</i>
Authorised share capital:		
Ordinary shares of HK\$0.01 each	<u>5,000,000,000</u>	<u>50,000,000</u>
Issued and fully paid:		
Ordinary shares of HK\$0.01 each	<u>620,000,000</u>	<u>6,200,000</u>

All of the Shares currently in issue are fully paid up or credited as fully paid and rank pari passu in all respects with each other, including all rights in respect of dividends, voting rights and capital. The Shares are listed on Main Board of the Stock Exchange and none of the securities of the Company is listed or dealt in on any other stock exchange and no such listing or permission to deal is being or is proposed to be sought.

No Shares have been issued by the Company since 31 March 2023 (being the date on which its latest published audited accounts were prepared) and up to and including the Latest Practicable Date.

As at the Latest Practicable Date, the Company had no outstanding warrants, derivatives, options or other securities which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into Shares, and had no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code), and the Company had not entered into any agreement to issue any Shares or warrants, derivatives, options or other securities which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into Shares.

3. DISCLOSURE OF INTERESTS

(a) Directors and chief executives' interests in securities

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

(b) Substantial shareholders

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of the SFO and, so far as is known to any Director or chief executive of the Company, the following persons (not being Directors or the chief executives of the Company) had interests or short positions in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or who was directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company:

Name of Substantial Shareholder	Capacity/Nature of interest	No. of Shares held/interested in (Note 1)	Percentage of total issued share capital of the Company
The Offeror (Note 2)	Beneficial owner	465,000,000(L)	75.00%
Mr. Kenichi Yanase (Note 2)	Interest of controlled corporation	465,000,000(L)	75.00%

Notes:

1. "L" denotes long position and "S" denotes short position.
2. The Offeror was held as to 65.45% by Mr. Kenichi Yanase, 28.05% by Dr. Hiroshi Kaneko and 6.50% by Ms. Pan Nan. Therefore, Mr. Kenichi Yanase is deemed, or taken to be, interested in 465,000,000 Shares held by the Offeror for the purpose of the SFO.

Save as disclosed above, as at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of the SFO and, so far as is known to the Directors, the Directors were not aware of any other person (not being a Director and chief executive of the Company) had, or was deemed to have, an interest or short position in the Shares or underlying Shares (including any interests in options in respect of such capital), which would fall to be disclosed to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO or who was directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of the Company or which would be required to be disclosed under the Takeovers Code.

(c) Interests in the Offeror

As at the Latest Practicable Date, none of the Company nor any of its Directors had any interest in the shares of the Offeror or convertible securities, warrants, options or derivatives in respect of the shares of the Offeror.

(d) Additional disclosure of interests in the Company and the Offeror and arrangements in connection with the Offer

(i) During the Relevant Period:

- (1) save for the sale of the Sale Shares under the Sale and Purchase Agreement, none of the Company or the Directors had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares; and
- (2) none of the Directors and the Company have owned or controlled or had dealt for value in any shares of the Offeror or any convertible securities, warrants, options or derivatives in respect of the shares of the Offeror.

(ii) During the Offer Period and up to the Latest Practicable Date:

- (1) none of the subsidiary of the Company, pension fund of the Company or any of its subsidiaries or any person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of acting in concert or who is an associate of the Company by virtue of class (2) of the definition of associate under the Takeovers Code but excluding exempt principal traders and exempt fund managers, had owned or controlled any Shares or any other convertible securities, warrants, options or derivatives in respect of the Shares and none of them had dealt for value in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;

- (2) save for the Sale and Purchase Agreement, there was no arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code between any person and the Company or with any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of acting in concert or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of associate under the Takeovers Code and no such person had dealt for value in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company; and
 - (3) no Shares or any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company were managed on a discretionary basis by fund managers connected with the Company and no such person had dealt for value in any relevant securities in the Company.
- (iii) As at the Latest Practicable Date,
- (1) none of the Company or any Directors had borrowed or lent any Shares or any other convertible securities, warrants, options or derivatives in respect of the Shares;
 - (2) none of the Directors held any beneficial shareholdings in the Company which would otherwise entitle them to accept or reject the Offer; and
 - (3) there was no understanding, arrangement, agreement or special deal between any Shareholder on one hand and (a) the Offeror and parties acting in concert with it; and (b) the Company, its subsidiaries or associated companies on the other hand.

4. MATERIAL LITIGATION

As at the Latest Practicable Date, none of the members of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was pending or threatened against any members of the Group.

5. MATERIAL CONTRACTS

The Group did not enter into any contract which was or might be material other than those entered into in the ordinary course of business carried on or intended to be carried on by the Company or any member of the Group within two years immediately before the commencement of the Offer Period and up to and including the Latest Practicable Date.

6. QUALIFICATION OF EXPERT

The following are the qualifications of the expert who has been named in this Composite Document or who has given its opinion or advice, which are contained in this Composite Document:

Name	Qualification
Capital 9 Limited	A licensed corporation, licensed with the SFC to carry out Type 6 (advising on corporate finance) regulated activities under the SFO, and the Independent Financial Adviser to the Independent Board Committee in respect of the Offer

7. DIRECTORS' SERVICE CONTRACTS

Ms. Li Yuen Shan, an independent non-executive Director, has been appointed by the Company by a contract for appointment, pursuant to which Ms. Li shall hold office for a term of two years commencing from 1 January 2023 to 31 December 2024 subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles of Association of the Company or unless terminated by either party by giving the other party one month's written notice in advance. Pursuant to the contract for appointment, Ms. Li is entitled to a director's fee of HK\$12,000 per month. No variable remuneration is payable under such contract for appointment.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors had entered into a service contract with any member of the Group or the associated companies of the Company which:

1. have been entered into or amended (including both continuous and fixed term contracts) within the Relevant Period;
2. are continuous contracts with a notice period of 12 months or more; or
3. are fixed term contracts with more than 12 months to run irrespective of the notice period.

8. CONSENT

The expert named in the paragraph headed "6. Qualification of Experts" above has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion therein of its opinions, reports, advice, recommendations and/or letters, as the case may be, and the references to its names and logo in the form and context in which they respectively appear.

9. ARRANGEMENTS AFFECTING DIRECTORS

As at the Latest Practicable Date,

- (a) none of the Directors had been or would be given any benefit as compensation for loss of office or otherwise (save that termination of appointment is subject to one month's notice or payment in lieu of notice) in connection with the Offer;
- (b) save for the Sale and Purchase Agreement, there was no agreement or arrangement between any Director and any other person which is conditional on or dependent upon the outcome of the Offer or otherwise connected with the Offer; and
- (c) save for the Sale and Purchase Agreement, there was no material contracts entered into by the Offeror in which any Director has a material personal interest.

10. DOCUMENTS ON DISPLAY

Copies of the following documents will be available for inspection on the website of the Company at <http://www.bnd-strategic.com.hk> and the website of the SFC at <http://www.sfc.hk> from the date of this Composite Document up to and including the Closing Date:

- (1) the second amended and restated memorandum and articles of association of the Company;
- (2) the annual report of the Company for the year ended 31 March 2021;
- (3) the annual report of the Company for the year ended 31 March 2022;
- (4) the annual report of the Company for the year ended 31 March 2023;
- (5) the "Letter from the Board", the text of which is set out on pages 16 to 23 of this Composite Document;
- (6) the "Letter from the Independent Board Committee", the text of which is set out on pages 24 to 25 of this Composite Document;
- (7) the "Letter from the Independent Financial Adviser", the text of which is set out on pages 26 to 45 of this Composite Document;
- (8) the contract for appointment referred to in the section headed "7. Directors' Service Contracts";
- (9) the written consent referred to in the section headed "8. Consent" in this Appendix III; and
- (10) this Composite Document.

11. GENERAL

1. The principal share registrar and transfer of the Company in the Cayman Islands is Ocorian (Trust) Cayman Limited, which is situated at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands.
2. The principal place of business in Hong Kong of the Company is Units 2803– 2803A, Asia Trade Centre, No. 79 Lei Muk Road, Kwai Chung, New Territories, Hong Kong.
3. The company secretary of the Company is Mr. Yeung Ka Chun.
4. The branch share registrar and transfer office of the Company in Hong Kong is Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong.
5. The registered office of Capital 9 Limited, the Independent Financial Adviser, is situated at Unit 1219, 12/F, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong.
6. The English texts of this Composite Document and the accompanying Form of Acceptance shall prevail over their respective Chinese texts, in case of any inconsistency.

APPENDIX IV GENERAL INFORMATION OF THE OFFEROR

1. RESPONSIBILITY STATEMENT

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than the information relating to the Group), and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this Composite Document (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading.

2. DISCLOSURE OF INTERESTS OF THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT

As at the Latest Practicable Date, details of interests in the Shares, underlying Shares, debentures or other relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company owned or controlled by the Offeror and parties acting in concert with it were as follows:

Name	Nature of interest ⁽¹⁾	Number of Shares or underlying Shares	Approximate percentage of issued share capital
The Offeror ⁽²⁾	Beneficial owner	465,000,000	75%
Mr. Yanase Kenichi ⁽²⁾	Interest of controlled corporation	465,000,000	75%

Notes:

1. All interests stated are long positions.
2. The Offeror held 465,000,000 Shares immediately after Completion and as at the Latest Practicable Date. The Offeror is owned as to 65.45% by Mr. Yanase Kenichi.

As at the Latest Practicable Date, save as disclosed above, neither the Offeror and parties acting in concert with it owned, controlled or had direction over any Shares or other relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company or any member of the Group.

3. ADDITIONAL DISCLOSURE OF INTERESTS AND DEALINGS

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

- (1) save as disclosed in the paragraph headed “2. DISCLOSURE OF INTERESTS OF THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT” in this Appendix, none of the Offeror, its ultimate beneficial owners and/or parties acting in concert with any of them or person who had any arrangement of the kind referred to in Note 8 to Rule 22 with the Offeror or any parties acting in concert with it owns, holds or has control or direction over any voting rights or rights over the Shares or convertible securities, warrants, options or derivatives of the Company, and there is no outstanding derivative in respect of the securities in the Company which is owned, controlled or directed by, or has been entered into by the Offeror, its ultimate beneficial owners and/or any person acting in concert with any of them;
- (2) the Offeror, its ultimate beneficial owners and/or parties acting in concert with any of them have not received any irrevocable commitment to accept or reject the Offer;
- (3) save for the acquisition of the Sale Shares by the Offeror, the Offeror, its ultimate beneficial owners and parties acting in concert with any of them had not dealt in any Shares or any options, warrants, derivatives or securities convertible into Shares or other derivatives in respect of securities in the Company during the Relevant Period;
- (4) save for the Loan Facility, there is no arrangement (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Company between the Offeror, its ultimate beneficial owners and/or parties acting in concert with any of them, and any person. Get Nice had not dealt in any Shares or any options, warrants, derivatives or securities convertible into Shares or other derivatives in respect of securities in the Company during the Relevant Period;
- (5) other than the consideration paid to the Vendor under the Sale and Purchase Agreement (i.e. HK\$233,500,000), there is no other consideration, compensation or benefits in whatever form provided or to be provided by the Offeror, its ultimate beneficial owners or their respective concert parties to the Vendor, its ultimate beneficial owners or their respective concert parties in connection with the Sale Shares;
- (6) there is no agreement or arrangement to which the Offeror 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;
- (7) there is no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror, its ultimate beneficial owners and/or parties acting in concert with any of them has borrowed or lent;

APPENDIX IV GENERAL INFORMATION OF THE OFFEROR

- (8) there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between: (a) the Offeror, its ultimate beneficial owners or their respective concert parties on one hand; and (b) any Shareholder on the other hand;
- (9) there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (a) the Offeror, its ultimate beneficial owners or their respective concert parties on one hand; and (b) the Vendor, its ultimate beneficial owners or their respective concert parties on the other hand; and
- (10) save for the share charges of all the Sale Shares held by the Offeror upon the Completion and all the Shares to be acquired and owned by the Offeror under the Offer in favour of Get Nice, as security to the Loan Facility granted by Get Nice to the Offeror for its payment obligations to acquire the Sale Shares and to make the Offer, there is no understanding, arrangement or agreement under which securities to be acquired pursuant to the Offer will be transferred, charged, pledged to any other persons and Get Nice does not own any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares.

4. GENERAL

- 1) As at the Latest Practicable Date, the voting rights of the Shares subject to the aforementioned share charge would not be transferred to Get Nice unless it has elected to enforce the security thereunder upon the occurrence and continuation of any event of default under such share charge and the Loan Facility, including but not limited to, the Offeror defaults in performing its payment obligation under the Loan Facility, or the chargor and the Offeror have breached any representations and warranties or default in performing its obligation under the respective share charge and the Loan Facility. The payment of interest on, repayment of or security for any liability (contingent or otherwise) in relation to the Loan Facility granted by Get Nice will not depend to any significant extent on the business of the Group.
- 2) As at the Latest Practicable Date, there was no arrangement whereby benefit (other than statutory compensation) was or will be given to any Directors as compensation for loss of office or otherwise in connection with the Offer.
- 3) As at the Latest Practicable Date, save for the Sale and Purchase Agreement, there was no agreement, arrangement, or understanding (including any compensation arrangement) between the Offeror or any person acting in concert with it and any Directors, recent Directors, Shareholders or recent Shareholders having any connection with or was dependent upon the Offer.

APPENDIX IV GENERAL INFORMATION OF THE OFFEROR

5. MARKET PRICE

The table below sets out the closing price of the Shares on the Stock Exchange on: (a) the last Business Day of each of the calendar months during the Relevant Period; (b) the Last Trading Day; and (c) the Latest Practicable Date:

Date	Closing price per Share (HK\$)
31 March 2023	0.94
28 April 2023	1.00
31 May 2023	2.00
30 June 2023	2.03
31 July 2023	1.90
31 August 2023	2.18
11 September 2023 (being the Last Trading Day)	2.48
29 September 2023	1.80
17 October 2023 (being the Latest Practicable Date)	1.87

During the Relevant Period, the highest and the lowest closing prices of the Shares as quoted on the Stock Exchange were HK\$2.58 per Share on 7 September 2023 and HK\$0.92 per Share on 21 March 2023.

6. EXPERT AND CONSENT

The following is the qualifications of the professional adviser who has given opinions or advice which are contained in this Composite Document:

Name	Qualifications
Get Nice Securities Limited	a licensed corporation to carry out Type 1 (dealing in securities), Type 4 (advising on securities), and Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities as defined under the SFO, being the financial adviser to the Offeror in respect of the Offer

Get Nice has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion therein of the text of its advice and/or letter and the references to its name in the form and context in which it appears herein.

7. MISCELLANEOUS

- (1) Principal members of the Offeror and parties acting in concert with it include the Offeror, Mr. Kenichi Yanase, Dr. Hiroshi Kaneko and Ms. Pan Nan.
- (2) The registered office of the Offeror is situated at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG 1110, British Virgin Islands. The correspondence address of the Offeror is situated at 9B, Sunrise, 3 Parkridge Crescent, Discovery Bay, Lantau Island, Hong Kong;
- (3) The correspondence address of Mr. Kenichi Yanase is situated at 9B, Sunrise, 3 Parkridge Crescent, Discovery Bay, Lantau Island, Hong Kong;
- (4) The correspondence address of Mr. Hiroshi Kaneko is situated at 9B, Sunrise, 3 Parkridge Crescent, Discovery Bay, Lantau Island, Hong Kong;
- (5) The correspondence address of Ms. Pan Nan is situated at 9B, Sunrise, 3 Parkridge Crescent, Discovery Bay, Lantau Island, Hong Kong;
- (6) Get Nice is the financial adviser to the Offeror in respect of the Offer and is making the Offer on behalf of the Offeror, and its registered office is situated at G/F-3/F, Cosco Tower, Grand Millennium Plaza, 183 Queen's Road Central, Hong Kong; and
- (7) The English text of this Composite Document shall prevail over their respective Chinese text in case of inconsistency.

8. DOCUMENTS ON DISPLAY

Copies of the following documents will be available for inspection on the website of the Company at www.bnd-strategic.com.hk and the website of the SFC at <http://www.sfc.hk> from the date of this Composite Document up to and including the Closing Date:

- (1) the memorandum and articles of association of the Offeror;
- (2) the "Letter from Get Nice", the text of which is set out in this Composite Document;
- (3) the written consent referred to in the paragraph headed "6. EXPERT AND CONSENT" in this Appendix IV to this Composite Document; and
- (4) the Sale and Purchase Agreement.