

15 December 2017

*To the Independent Shareholders*

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY  
GF SECURITIES (HONG KONG) BROKERAGE LIMITED  
FOR AND ON BEHALF OF GENTLE SOAR LIMITED TO ACQUIRE  
ALL THE ISSUED SHARES  
(OTHER THAN THOSE ALREADY OWNED OR AGREED  
TO BE ACQUIRED BY GENTLE SOAR LIMITED AND  
PARTIES ACTING IN CONCERT  
WITH IT) OF FDB HOLDINGS LIMITED**

**INTRODUCTION**

Reference is made to the Joint Announcement. As mentioned in the Joint Announcement, pursuant to the Sale and Purchase Agreement entered into by the Vendor, Mr. Ng and the Purchaser on 17 November 2017, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares, being an aggregate of 862,400,000 Shares, representing 70.0% of the then entire issued share capital of the Company and 70.0% of the entire issued share capital of the Company as at the Latest Practicable Date, at a cash consideration of HK\$469,000,000, equivalent to approximately HK\$0.544 per Sale Share.

The Completion took place on 20 November 2017. The Offeror, its ultimate beneficial owner and their parties acting in concert became the owner of in aggregate 862,400,000 Shares representing 70.0% of the entire issued share capital of the Company as at the Latest Practicable Date. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make a mandatory unconditional general offer in cash for all the issued Shares other than those already owned or agreed to be acquired by itself and its parties acting in concert.

This letter forms part of this Composite Document which sets out, among other things, the principal terms of the Offer, the information on the Offeror and the intentions of the Offeror in relation to the Group. Further details of the terms of the Offer and the procedures for accepting the Offer are set out in Appendix I to this Composite Document and in the Form(s) of Acceptance. Your attention is also drawn to the "Letter from the Board", the "Letter from the Independent Board Committee" and the "Letter from the Independent Financial Adviser" and the appendices as contained in this Composite Document.

## **PRINCIPAL TERMS OF THE OFFER**

GF Securities is making the Offer on behalf of the Offeror, subject to the terms set out in this Composite Document and in the Form(s) of Acceptance, on the following basis:

### **The Offer**

**For every Share . . . . . HK\$0.544 in cash**

The Offer Price of HK\$0.544 per Offer Share under the Offer is approximately equal to but not lower than the purchase price per Sale Share paid by the Offeror under the Sale and Purchase Agreement.

As at the Latest Practicable Date, the Company has no outstanding warrants, derivatives, options, convertibles or other securities in issue which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into Shares.

### **Comparisons of value**

The Offer Price of HK\$0.544 per Share represents:

- (i) a premium of approximately 4.62% over the closing price of HK\$0.52 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 27.40% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day of approximately HK\$0.427 per Share;
- (iii) a premium of approximately 42.60% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the 10 consecutive trading days up to and including the Last Trading Day of approximately HK\$0.382 per Share;
- (iv) a discount of approximately 2.86% to the closing price of HK\$0.56 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (v) a premium of approximately 643.56% over the audited consolidated net asset value of the Group of approximately HK\$0.073 per Share as at 31 December 2016 based on 1,232,000,000 Shares in issue as at the Latest Practicable Date; and
- (vi) a premium of approximately 663.80% over the unaudited consolidated net asset value of the Group of approximately HK\$0.071 per Share as at 30 June 2017 based on 1,232,000,000 Shares in issue as at the Latest Practicable Date.

### **Highest and lowest Share prices**

During the Relevant Period, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.60 per Share on 24 November 2017 and 27 November 2017, and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.295 per Share on 28 June 2017, 31 October 2017 and 1 November 2017.

## **VALUE OF THE OFFER**

There are 1,232,000,000 Shares in issue as at the Latest Practicable Date. On the basis of the Offer Price of HK\$0.544 per Share and 1,232,000,000 Shares in issue as at the Latest Practicable Date, the entire issued share capital of the Company would be valued at HK\$670,208,000. The number of Sale Shares under the Sale and Purchase Agreement is 862,400,000 and the aggregate amount paid by the Offeror for the Sale Shares upon Completion is HK\$469,000,000. The value of the Offer is HK\$201,062,400 on the basis of 369,600,000 Offer Shares (including the 61,600,000 Remaining Shares, in respect of which the Vendor has irrevocably undertaken not to accept).

## **UNDERTAKING NOT TO ACCEPT THE OFFER AND NOT TO DISPOSE OF THE REMAINING SHARES**

Immediately after Completion and as at the Latest Practicable Date, the Vendor continues to be the beneficial owner of the Remaining Shares. The Vendor has irrevocably undertaken to and covenanted with the Offeror that, in respect of the Remaining Shares, (i) it will not accept the Offer; and (ii) it will remain as the legal and beneficial owner of the Remaining Shares immediately after Completion up to and including the Closing Date.

## **CONFIRMATION OF FINANCIAL RESOURCES AVAILABLE FOR THE OFFER**

The Offeror intends to finance the consideration payable for the Offer using its internal resources and/or external financing from GF Securities. The Offeror has been granted a standby loan facility from GF Securities for financing, among others, the maximum consideration payable by the Offeror for the full acceptance of the Offer in respect of the 308,000,000 Offer Shares (not including the Remaining Shares). Pursuant to the arrangement of the standby loan facility, the Offeror has charged the Sale Shares and the Shares to be acquired pursuant to the Offer (if any) to GF Securities as collateral. The Shares charged in favour of GF Securities would not result in the transfer of voting rights. The Offeror confirms that the repayment of the interest on, repayment of or security for any liability (contingent or otherwise) will not depend on any significant extent on the business of the Company.

GF Capital has been appointed as the financial adviser to the Offeror in respect of the Offer and is satisfied that sufficient financial resources are available to the Offeror to satisfy the consideration for the full acceptance of the Offer in respect of the 308,000,000 Offer Shares (not including the Remaining Shares).

## **Compulsory Acquisition**

The Offeror does not intend to avail itself of any powers of compulsory acquisition of any Shares outstanding after the close of the Offer.

## **Effects of accepting the Offer**

The Offer is unconditional in all respects and is not conditional upon acceptances being received in respect of a minimum number of Shares or any other conditions.

By accepting the Offer, Shareholders will sell their Shares free from all Encumbrances and together with all rights accruing or attaching to them, including, without limitation, the right to receive all dividends and distributions which may be recommended, declared, made or paid, if any, at any time on or after the date on which the Offer is made, being the date of posting of this Composite Document. Acceptance of the Offer by any Shareholder will be deemed to constitute a warranty by such person that all Shares sold by such person under the Offer are free from all Encumbrances and together with all rights accruing or attaching to them, including, without limitation, the right to receive all dividends and distributions which may be recommended, declared, made or paid, if any, at any time on or after the date on which the Offer is made. Acceptances of the Offer shall be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code.

### **Hong Kong stamp duty**

Seller's Hong Kong ad valorem stamp duty arising in connection with acceptance of the Offer amounting to 0.1% of the amount payable in respect of relevant acceptances by the Shareholders, or (if higher) the market value of the Shares as determined by the Collector of Stamp Revenue under the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong), will be deducted from the cash amount payable to the Shareholders who accept 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 accepting Shareholders and will pay the buyer's ad valorem stamp duty in connection with the acceptances of the Offer (as the case may be).

### **Payment**

Payment in cash in respect of acceptances of the Offer will be made as soon as possible but in any event within seven (7) Business Days following the date of which the duly completed acceptances of the Offer and the relevant documents of title of the Shares in respect of such acceptances are received by the Offeror to render each such acceptance complete and valid.

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

### **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, its parties acting in concert, the Company, GF Capital, GF Securities 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 holders of Shares**

To the extent practicable and permissible under applicable laws and regulations, the Offeror intends to make available the Offer to all Independent Shareholders, including those who are resident outside Hong Kong. The making of the Offer to persons not resident in Hong Kong may be affected by the laws and regulations of the relevant jurisdiction in which they are resident. Overseas holders of Shares who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice.

It is the sole responsibility of the overseas holders of Shares who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such overseas holders of Shares in respect of such jurisdictions).

### **Acceptance and Settlement**

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

### **INFORMATION ON THE OFFEROR**

Gentle Soar, or the Offeror, is an investment holding company incorporated in the British Virgin Islands and is wholly and ultimately owned by Mr. Gao. Each of the Offeror and Mr. Gao is a third party independent of, and not acting in concert with, the Vendor. Immediately prior to Completion, none of the Offeror or Mr. Gao owned any Shares. Apart from the Sale Shares, none of the Offeror or Mr. Gao owned any Shares as at the Latest Practicable Date.

Mr. Gao is the sole shareholder and sole director of the Offeror. Mr. Gao is an experienced business entrepreneur and is the founder of Dafy Group, which comprises Shenzhen Dafy Finance Holdings Co. Ltd. ("**Dafy Finance Holdings**"), a company principally engaged in provision of financial technology and related services based in Shenzhen, the PRC, and its subsidiaries. Mr. Gao also has experience in properties investment and development in the PRC.

## **INFORMATION ON THE COMPANY**

The Company was listed on the Growth Enterprise Market of the Stock Exchange (stock code: 8248) on 30 September 2015, and then transferred to the Main Board of the Stock Exchange (stock code: 1826) on 10 July 2017.

The Group is principally engaged in (i) contracting service for alteration and addition works, maintenance, specialist works and new development; and (ii) consulting service for alteration and addition works, new development, licensing, building services, and architectural design for buildings in Hong Kong. The Group provides one-stop integrated solution for both contracting and consulting services from project planning, resources allocation, subcontractor management and material procurement to monitoring and quality assurance, and to offer value-adding services such as providing advice on designs to the Group's customers.

Further information on the Group is set out in the "Letter from the Board" in this Composite Document. Financial information of the Group and general information of the Company are set out in Appendices II and IV to this Composite Document, respectively.

## **FUTURE INTENTIONS OF THE OFFEROR**

### **Operational Matters, Employees and Senior Management**

It is the intention of the Offeror to continue the existing principal businesses of the Group. The Offeror will conduct a detailed review on the existing principal businesses and operations, and the financial position of the Group for the purpose of formulating business plans and strategies for the Group's long-term business development and will explore other business opportunities for the Group, including the feasibility of diversifying the income stream of the Group. In this regard, the Offeror may look into business and investment opportunities in different business areas and consider whether any asset disposals, asset acquisitions, business rationalisation, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance the long-term growth potential of the Group. Should such corporate actions materialise, further announcement(s) will be made in accordance with the Listing Rules. As at the Latest Practicable Date, the Offeror has not entered into any agreements, arrangements, understandings, intentions or negotiations in relation to any disposal, termination or scaling-down of the Group's existing business, or any disposal, restructuring or re-deployment of the Group's assets.

Save for the Offeror's intention to nominate directors to the Board detailed in the paragraph headed "Proposed Change of Board Composition of the Company" below, the Offeror does not intend to introduce any major changes to the existing operating and management structure of the Group and intends to continue the employment of the existing employees of the Group.

## **Proposed Change of Board Composition of the Company**

As at the Latest Practicable Date, the Board is currently made up of seven Directors, comprising three executive Directors, namely, Mr. Ng, Mr. Chung Yuk Ming Christopher and Mr. Ip Kong Ling, and four independent non-executive Directors, namely, Mr. Chan Chun Hong, Mr. Chan Kai Nang, Mr. Lau Yiu Kit and Dr. Wu Chun Wah.

It is expected that all executive Directors (except Mr. Ng) will resign from the Board with effect from a date no earlier than the Closing Date or at a date as permitted under the Takeovers Code. The Offeror intends to nominate Mr. Gao, Ms. Zhu Wenhui (“**Ms. Zhu**”) and Mr. Qi Gang (“**Mr. Qi**”) as the new executive Directors with effect from a date no earlier than the date of the Composite Document or at a date as permitted under the Takeovers Code. The candidates of other new Directors to be nominated are yet to be determined.

Any changes to the Board will be made in compliance with the Takeovers Code and the Listing Rules and a further announcement will be made as and when appropriate.

The biography of Mr. Gao is set out in the paragraph headed “Information on the Offeror” above. The biographies of the other proposed executive Directors are set out below:

### *Ms. Zhu*

Ms. Zhu is a vice president of Dafy Finance Holdings and chairman of 雲智慧(北京)投資管理有限公司 (Yunzhahui (Beijing) Investment Management Limited). She has been principally involved in business development, branding strategic planning and team management of these companies. Ms. Zhu is presently receiving training in relation to 全球資產管理與大類資產配置 (worldwide portfolio management and assets allocation) from the PBC School of Finance of Tsinghua University in the PRC, and she completed the courses of Internet Finance and Wealth Management from the PBC School of Finance of Tsinghua University in 2015 and 2017, respectively. She obtained a Bachelor Degree in Marketing from Yanshan University in the PRC.

### *Mr. Qi*

Mr. Qi is a vice president of Dafy Finance Holdings. He is responsible for managing and implementing all financing related projects, and overseeing the business operation of such company. Mr. Qi has extensive experience in business management and structured financing for commercial properties in the PRC and the United States of America (“**U.S.**”). He used to work as an executive director at Ping An Securities Company Limited, an executive director at Morgan Stanley, a vice president at Barclays Capital Inc., and an associate at Goldman Sachs Group, Inc. He obtained a Master Degree in Statistics from New York University, U.S., a Master Degree in Finance from Boston College, U.S., and a Master Degree in Business Administration from Bowling Green State University, U.S..

### **Public float and maintenance of 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 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.

The Offeror intends the Company to remain listed on the Stock Exchange. Each of the director of the Offeror and the new Directors to be appointed to the Board has jointly and severally undertaken to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares.

As the Company and the Offeror are unable to ascertain at this stage the level of acceptances by Shareholders under the Offer, they have not decided the exact steps/actions that will be taken by them after the close of the Offer to restore the public float of the Shares, if required. Notwithstanding this, the Company and the Offeror consider that the appropriate actions to be taken shall include placing down of sufficient number of accepted Shares by the Offeror and/or issue of new Shares by the Company for this purpose. The Company and the Offeror will issue a separate announcement as and when necessary in this regard.

### **GENERAL**

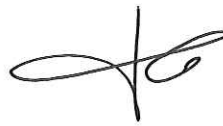
All documents and remittances to be sent to the Shareholders will be sent to them by ordinary post at their own risk. Such documents and remittances will be sent to the Shareholders at their respective addresses as they appear in the register of members of the Company, and in the case of joint Shareholders, to the Shareholder whose name appears first in the register of members of the Company. None of the Offeror, its parties acting in concert, the Company, GF Capital, GF Securities, VBG Capital, the Registrar and any of their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offer will be responsible for any loss or delay in transmission or any other liabilities that may arise as a result thereof or in connection therewith.



**ADDITIONAL INFORMATION**

Your attention is also drawn to the letter from the Board, the letter from the Independent Board Committee and the letter from the Independent Financial Adviser contained in this Composite Document, the accompanying Form(s) of Acceptance and the additional information set out in the appendices to, and which forms part of, this Composite Document.

Yours faithfully,  
For and on behalf of  
**GF Securities (Hong Kong) Brokerage Limited**

A handwritten signature in black ink, appearing to be 'Danny Wan', written in a cursive style.

**Danny Wan**  
*Managing Director*