



英皇融資有限公司  
Emperor Capital Limited

28/F, Emperor Group Centre,  
288 Hennessy Road,  
Wanchai, Hong Kong

1 June 2017

*To the Independent Shareholders*

Dear Sir/Madam,

**UNCONDITIONAL MANDATORY CASH OFFER BY  
EMPEROR CAPITAL LIMITED  
ON BEHALF OF  
UNITED FINANCIAL HOLDINGS GROUP LIMITED  
TO ACQUIRE ALL THE ISSUED SHARES (OTHER THAN  
THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY  
UNITED FINANCIAL HOLDINGS GROUP LIMITED AND  
THE PARTIES ACTING IN CONCERT WITH IT)**

**(I) INTRODUCTION**

Reference is made to the Joint Announcement in relation to, among other things, the SPA and the Share Offer. On 5 May 2017, the Offeror as purchaser entered into the SPA with National Honour as vendor and Mr. Yu and Ms. Wong as guarantors, pursuant to which the Offeror agreed to acquire and National Honour agreed to sell 1,080,000,000 Shares, representing 75% equity interest in the Company as at the Latest Practicable Date, for a consideration of HK\$270,000,000, equivalent to HK\$0.25 per Acquired Share.

Other than the consideration under the SPA, no other consideration, compensation or benefits in whatever form have been provided by the Offeror or its concert parties to National Honour or its concert parties.

There is no special deal (under Rule 25 of the Takeovers Code) between the Offeror and its concert parties on one hand and National Honour and its concert parties on the other hand.

**Specific undertakings set out in the SPA**

Provided that (i) the Company will not exercise its power to remove Mr. Yu and/or Ms. Wong from the directorship of the Operating Subsidiaries and (ii) Mr. Yu and Ms. Wong, collectively, have control over the board of directors of the Operating Subsidiaries (such proviso is not applicable where Mr. Yu or Ms. Wong tenders his/her resignation

voluntarily, or where they have lost control over the board of directors of the Operating Subsidiaries due to any other reasons not attributable to the Offeror and/or the Company), each of Warrantors jointly and severally, unconditionally and irrevocably, undertake to the Offeror, amongst other things, that:

(a) the consolidated net asset value (the “NAV”) of the Operating Subsidiaries shall not be less than HK\$20,000,000 as at the date of the SPA;

(b) the NAV shall be:

<b>The relevant date</b>	<b>Audited NAV</b>
(i) 30 April 2018	Not less than HK\$20,000,000
(ii) 30 April 2019	Not less than HK\$20,000,000

(c) in the event that the NAV is less than HK\$20,000,000 on the relevant date(s) as mentioned in (a), (b)(i) or (b)(ii) above, National Honour shall pay to the Offeror such amount in cash as calculated pursuant to the formula below on 30 June 2017 (for non-fulfillment of (a) above) and 15 August of the relevant year (for non-fulfillment of (b)(i) or (b)(ii) above):

$$A = B - C$$

Where:

A: the amount to be paid by National Honour to the Offeror for non-fulfillment of the NAV guarantee as mentioned in (a), (b)(i) or (b)(ii) above;

B: the guaranteed amount of the NAV as mentioned in (a), (b)(i) or (b)(ii) above; if the Warrantors have made the compensation pursuant to this section for the non-fulfillment of (a) or (b)(i) above, an amount equal to such compensation shall be deducted from the guaranteed amount of the NAV for the next relevant date;

C: the NAV as at the date of the SPA (for (a)), 30 April 2018 (for (b)(i)) or 30 April 2019 (for (b)(ii)).

The aforementioned guarantee mechanism is based on the NAV of the Operating Subsidiaries instead of the NAV of the Group, because the Company is merely a holding company of the Group and has no substantial operation other than the operations under the Operating Subsidiaries. As at 31 January 2017, the unaudited net asset values of the Group was HK\$83.9 millions while the unaudited net asset values of the Operating Subsidiaries was HK\$50.7 millions.

The NAV will be determined based on the audited accounts of the Operating Subsidiaries, which will be available after the auditors complete the annual audit of the Operating Subsidiaries. For the avoidance of doubt, the parties to the SPA confirm that

the NAV on the date of the SPA is referred to the NAV of the Operating Subsidiaries shown in the audited accounts of the Operating Subsidiaries for the year ended 30 April 2017.

As at the Latest Practicable Date, the NAV on the date of the SPA has not been determined.

The Offeror and Mr. Zhou confirm that there are no arrangements of any kind offered to National Honour, Mr. Yu or Ms. Wong for their remaining as directors of the Operating Subsidiaries. Mr. Yu and Ms. Wong will continue to be employed under the existing service contracts entered into on 15 October 2015 with the Company. There is no other understanding, arrangement with Mr. Yu and Ms. Wong relating to their employment as directors of the Operating Subsidiaries.

Immediately upon the Completion which took place on 5 May 2017, the Offeror acquired 50% or more of the voting rights of the Company and has therefore incurred an obligation to make an unconditional mandatory offer under the Takeovers Code for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it).

This letter forms part of this Composite Document and sets out, among other things, details of the Share Offer, information on the Offeror and its intention in relation to the Group. Further details on the terms and the procedures for acceptances of the Share Offer are set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

The Independent 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” and the appendices as set out in this Composite Document and to consult their professional advisers before reaching a decision as to whether or not to accept the Share Offer.

## **(II) THE SHARE OFFER**

### **The Share Offer**

As at the Latest Practicable Date, there are 1,440,000,000 Shares in issue. Save for the 1,440,000,000 issued Shares, the Company has no outstanding securities, options, warrants or derivatives which are convertible into or which confer rights to require the issue of Shares and the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the Latest Practicable Date.

The Share Offer is being made by Emperor Capital for and on behalf of the Offeror on the terms to be set out in this Composite Document in compliance with the Takeovers Code on the following basis:

For each Offer Share . . . . . HK\$0.25 in cash

The Offer Price of HK\$0.25 per Offer Share under the Share Offer is the same as the purchase price per Acquired Share paid by the Offeror in the SPA. The Offer Shares to be acquired under the Share Offer shall be fully paid and shall be acquired free from all liens, claims, encumbrances, rights of preemption and any other third party rights of any nature and together with all rights attached thereto as at the date on which the Share Offer is made or subsequently becoming attached to them, including the right to receive in full all dividends and other distributions, if any, declared, paid or made on or after the date of despatch of this Composite Document.

### **Comparison of Value**

The Offer Price of HK\$0.25 per Offer Share represents:

1. a discount of approximately 36.71% to the closing price of HK\$0.395 per Share quoted on the Stock Exchange on the Latest Practicable Date;
2. a discount of approximately 7.41% to the last trading price of HK\$0.27 per Share as quoted on the Stock Exchange immediately before trading in the Shares was halted on 5 May 2017 and being the Last Trading Day;
3. a discount of approximately 6.72% to the average closing price of HK\$0.268 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day;
4. a discount of approximately 5.37% to the average closing price of HK\$0.2642 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day;
5. a premium of approximately 12.87% to the average closing price of HK\$0.2215 per Share as quoted on the Stock Exchange for the last thirty (30) consecutive trading days up to and including the Last Trading Day; and
6. a premium of approximately 354.55% to the audited consolidated net assets value attributable to the Shareholders of approximately HK\$0.055 per Share as at 30 April 2016, the date to which the latest audited consolidated financial results of the Company were made up.

## Market Prices

The table below shows the closing prices per Share on the Stock Exchange on (i) the last trading day of each of the calendar months during the Relevant Period; (ii) the Last Trading Day; and (iii) the Latest Practicable Date:

Date	Closing price HK\$
30 November 2016	0.155
30 December 2016	0.150
27 January 2017	0.165
28 February 2017	0.206
31 March 2017	0.206
28 April 2017	0.255
5 May 2017 (being the Last Trading Day)	0.270
29 May 2017 (being the Latest Practicable Date)	0.395

## Highest and Lowest Share Prices

During the Relevant Period, the highest and lowest daily closing prices of the Shares as quoted on the Stock Exchange was HK\$0.450 per Share on 18 May 2017 and HK\$0.135 per Share on 21 December 2016, respectively.

## Value of the Share Offer

On the basis of 1,440,000,000 Shares in issue, of which the Offeror holds 1,080,000,000 Shares, as at the Latest Practicable Date, the Share Offer based on the Offer Price will be valued at approximately HK\$90,000,000.

## Financial Resources Available to the Offeror

The Offeror has paid the consideration under the SPA from its own resources and by the Facility. The Offeror intends to fund the consideration payable under the Share Offer in full by the Facility. Emperor Capital, being the financial adviser to the Offeror in respect of the Share Offer, is satisfied that sufficient resources are available to the Offeror to satisfy the amount of funds required for full acceptance of the Share Offer.

Pursuant to the arrangement of the Facility, amongst others, the Offeror has pledged all the Acquired Shares and the Shares to be acquired by the Offeror under the Share Offer (if any) in favour of Emperor Securities, and such arrangement will not result in a change of the voting rights of the Company before the enforcement of the relevant charge. At as the Latest Practicable Date, Emperor Securities and the Offeror are not aware of any circumstances which may lead to enforcement of the relevant charge. The collateralised Shares shall be released to the Offeror immediately upon full repayment of all the outstanding amounts of the Facility and the interest thereon.

The Offeror does not intend that the payment of interest on, repayment of or security for any liability (contingent or otherwise) relating to the Facility will depend to any significant extent on the business of the Company.

### **Compulsory Acquisition**

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

### **Effects of Accepting the Share Offer**

By accepting the Share Offer, the Independent Shareholders will sell their Shares to the Offeror free from all liens, claims, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attached thereto as at the date on which the Share Offer is made or subsequently becoming attached to them, including the right to receive all dividends and other distributions, if any, declared, paid or made on or after the date of despatch of this Composite Document. The making of the Share Offer to a person with a registered address in a jurisdiction outside Hong Kong may be affected by the applicable laws of the relevant jurisdiction. Independent Shareholders with registered addresses in jurisdictions outside Hong Kong should inform themselves about and observe any applicable legal requirements in their own jurisdictions.

Acceptance of the Share Offer would be irrevocable and would not be capable of being withdrawn, subject to the provision of the Takeovers Code.

### **Settlement**

Settlement of the consideration for the Offer Shares will be made in cash as soon as possible but in any event within seven Business Days of the date on which the relevant documents of title in respect of such acceptances are received by or on behalf of the Offeror to render each such acceptance complete and valid.

### **Hong Kong Stamp Duty**

Seller's Hong Kong ad valorem stamp duty payable by the Independent Shareholders who accept the Share Offer is calculated at a rate of 0.1% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Share Offer, whichever is higher, will be deducted from the amount payable by the Offeror to such person on acceptance of the Share Offer.

### **Taxation Advice**

Independent Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Share Offer. None of the Offeror, parties acting in concert with it, the Company, Emperor Capital, Emperor Securities and (as the case may be) their respective ultimate

beneficial owners, directors, officers, agents or associates or any other person involved in the Share Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Share Offer.

### **Overseas Shareholders**

The availability of the Share 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 and regulatory requirements and, where necessary, consult their own professional advisers. It is the responsibilities of the Overseas Shareholders who wish to accept the Share 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 Share Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such overseas Shareholders in respect of such jurisdictions).

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

### **(III) INFORMATION OF THE GROUP**

Information on the Group is set out in the section headed “Information of the Group” in the “Letter from the Board” and Appendix III as contained in this Composite Document.

### **(IV) INFORMATION OF THE OFFEROR**

The Offeror was incorporated in Hong Kong with limited liability. The Offeror is the beneficial owner of 1,080,000,000 Shares as at the Latest Practicable Date. As at the Latest Practicable Date, the Offeror is wholly-owned by Century Investment Holdings Limited, a company incorporated in the Cayman Islands with limited liability. The principal business of Century Investment Holdings Limited is investment holding and its sole shareholder is Mr. Zhou. Therefore, Mr. Zhou is the ultimate beneficial owner of the Offeror.

Mr. Zhou, aged 35, has been working in the financial investment industry and has invested in or managed various PRC companies involved in various fields, including equity investment, assets management, films and entertainment and cultural education. In 2014, Mr. Zhou founded Zhejiang United Small-and-medium-sized Enterprises Holdings Group Company Limited\* (浙江聯合中小企業控股集團有限公司), which is principally engaged in provision of consultation services for company management (e.g. providing the financing plans for the small-and-medium-sized enterprises and advising on the transaction plan/structure for the mergers and acquisitions of the companies), and has been acting as the chairman of the board of directors till present.

Mr. Zhou was awarded Asia Financial Brands Top 10 Outstanding Figures (亞洲金融品牌十大傑出人物) in 2016, China Outstanding Enterprise Manager\* (中國優秀誠信企業家) in 2014, 2016 China Yangtze River Delta Top 10 New Youth Businessmen\* (2016年度中國長三角十大新銳青商), 2015 Zheshang Figures of Creativity\* (2015浙商創新人物), 2015 Top 10 Leaders of Zhejiang Financial Investment\* (2015年度浙江金融投資十大領軍人物) and the 13th session of Hangzhou Top 10 Outstanding Young Persons\* (第十三屆杭州十大傑出青年).

Mr. Zhou is the vice-president of the Zhejiang International Finance Society (浙江省國際金融學會副會長), the president of the Zheshang National Council Presidium\* (浙商全國理事會主席團主席), the committee member of the Hangzhou City Committee of the China Minzhu Jianguo Association\* (中國民主建國會杭州市委員會委員) and the vice-president of the Entrepreneur Association of the Hangzhou City Committee of the China Minzhu Jianguo Association\* (中國民主建國會杭州市委員會企業家聯誼會副會長).

Immediately prior to the entering into the SPA, the Offeror and parties acting in concert with it did not hold any securities of the Company and were third parties independent of the Company and its connected persons.

#### **(V) PUBLIC FLOAT AND LISTING STATUS OF THE COMPANY**

The Offeror intends to maintain the listing of the Shares on the Stock Exchange after the close of the Share Offer.

If the public float of the Company falls below 25% following the close of the Share Offer, the Offeror and the Directors to be appointed to the Board will jointly and severally undertake to the Stock Exchange to take appropriate steps following the close of the Share Offer to ensure that a sufficient public float exists for the Shares, such as the engagement of a placing agent to place such number of Shares to other independent third parties not connected with the Company or any of its connected persons and not parties acting in concert with the Offeror. As at the Latest Practicable Date, no such measure has been in place. The Company and the Offeror will issue a separate announcement as and when necessary regarding the decision of any of such steps if the circumstances warrant.

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

#### **(VI) INTENTIONS OF THE OFFEROR**

It is the Offeror's intention to acquire a majority interest in the Company pursuant to the SPA and the Share Offer. The intention of the Offeror is that the Company's existing principal activities will be maintained and the Offeror will assist the Company in reviewing its business and operations and seek for new opportunities to enhance and strengthen the business of the Group.



The Offeror has no intention to introduce major changes to the business of the Group, including any redeployment of fixed assets other than those in its ordinary course of business. Save for the change(s) to the composition of the Board as mentioned below, the Offeror has no plan to terminate the employment of any other employees or other personnel of the Group. However, if the Offeror deems necessary or appropriate to the Group's businesses and operation to increase the value of the Group, there is a possibility that the Offeror may change its intention or plan in the future, subject to full compliance with the relevant rules and regulations. As at the Latest Practicable Date, there is no understanding, discussion, arrangement or agreement in regard of the intention or plan of the Offeror in the future.

#### **(VII) PROPOSED CHANGE TO THE BOARD COMPOSITION OF THE COMPANY**

As at the Latest Practicable Date, the Board comprises Mr. Yu Shek Man Ringo and Ms. Wong So Wah as executive Directors, Mr. Cheung Kin Keung Martin as non-executive Director and Mr. Law Yiu Sing, Mr. Wong Kwok Chuen and Mr. Wong Law Fai as independent non-executive Directors.

The Offeror intends to nominate the new Directors who will hold office in the Company with effect from the earliest time permitted under the Takeovers Code or such later time as the Offeror thinks fit. As at the Latest Practicable Date, the Offeror has not identified any potential new Directors to be nominated to the Company.

#### **(VIII) ACCEPTANCE AND SETTLEMENT**

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

#### **(IX) DEALING DISCLOSURE**

In accordance with Rule 3.8 of the Takeovers Code, the respective associates (as defined in the Takeovers Code) of the Offeror and the Company are hereby reminded to disclose their dealing in any securities of the Company pursuant to the Takeovers Code.

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

*“Responsibilities of stockbrokers, banks and other intermediaries*

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

*day period is less than HK\$1 million. This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

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

## **(X) GENERAL**

This Composite Document has been prepared for the purposes of complying with the laws of Hong Kong, the Takeovers Code and the GEM Listing Rules and the information disclosed may not be the same as which would have been disclosed if this Composite Document had been prepared in accordance with the laws of jurisdictions outside Hong Kong.

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

To accept the Share Offer, Independent Shareholders should complete and sign the accompanying Form of Acceptance in accordance with the instructions printed thereon. The Form of Acceptance forms part of the terms of the Share Offer. The duly completed Form(s) of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) must be sent by post or by hand to the Registrar at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong in an envelope marked “Fraser Holdings Limited — Share Offer” to be received by the Registrar no later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and the Offeror may announce with the consent of the Executive in accordance with the Takeovers Code.

No acknowledgement of receipt of any Form(s) of Acceptance, together with (in respect of the Share Offer) the share certificate(s) and/or transfer receipt(s), and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

Attention of the Overseas Shareholders is drawn to paragraph headed “6. Overseas Shareholders” of Appendix I to this Composite Document.

All documents and remittances to be sent to the Independent Shareholders will be sent to them by ordinary post at their own risk. Such 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 Independent Shareholders, to such Independent Shareholder whose name appears first in the register of members of the Company, unless otherwise specified in the accompanying Forms of Acceptance completed, returned and received by the Registrar. None

of the Offeror, the Company, Emperor Capital, Emperor Securities, the Independent Financial Adviser, the Registrar nor any of their respective directors, officers, professional advisers, associates, agents or any other parties involved in the Share Offer accepts any liabilities for any loss or delay in transmission or any other liabilities that may arise as a result thereof or in connection therewith.

**(XI) ADDITIONAL INFORMATION**

Your attention is drawn to the additional information set out in the appendices to this Composite Document which form part of this Composite Document. You are reminded to carefully read the “Letter from the Board”, the “Letter from the Independent Board Committee”, the “Letter from the Independent Financial Adviser” and other information about the Group, which are set out in this Composite Document before deciding whether or not to accept the Share Offer.

Yours faithfully,  
For and on behalf of  
**Emperor Capital Limited**

A handwritten signature in black ink, appearing to read 'Louisa Choi', with a large, stylized initial 'L' and 'C'.

**Louisa Choi**  
*Director*