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Ace Source Holdings Limited

(Incorporated in the BVI with limited liability)

Goal Forward Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1854)

JOINT ANNOUNCEMENT

**(1) CONDITIONAL AGREEMENT IN RELATION TO
THE SALE AND PURCHASE OF SHARES IN
GOAL FORWARD HOLDINGS LIMITED;**

**(2) CONNECTED TRANSACTION IN RELATION TO THE PROPOSED SUBSCRIPTION
FOR NEW SHARES OF GOAL FORWARD HOLDINGS LIMITED BY
ACE SOURCE HOLDINGS LIMITED AND ISSUE OF SUBSCRIPTION SHARES
BY GOAL FORWARD HOLDINGS LIMITED UNDER SPECIFIC MANDATE;**

**(3) POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER
BY SOMERLEY CAPITAL LIMITED**

**FOR AND ON BEHALF OF ACE SOURCE HOLDINGS LIMITED
TO ACQUIRE ALL THE ISSUED SHARES (OTHER THAN THOSE ALREADY
OWNED OR AGREED TO BE ACQUIRED BY ACE SOURCE HOLDINGS LIMITED
AND PARTIES ACTING IN CONCERT WITH IT);**

(4) APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER;

AND

**(5) RESUMPTION OF TRADING IN THE SHARES OF
GOAL FORWARD HOLDINGS LIMITED**

Financial Adviser to Ace Source Holdings Limited



SOMERLEY CAPITAL LIMITED

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



THE SHARE PURCHASE AGREEMENT

On 29 June 2021 (after trading hours), the Vendor and Ace Source entered into the Share Purchase Agreement, pursuant to which the Vendor has conditionally agreed to sell, and Ace Source (or its nominee) has conditionally agreed to acquire, 520,000,000 Sale Shares (representing (i) approximately 41.27% of the issued share capital of the Company as at the date of this joint announcement; and (ii) approximately 34.39% of the issued share capital of the Company as enlarged by allotment and issue of the Subscription Shares), at a total cash consideration of HK\$78,000,000, being HK\$0.15 per Sale Share, free from all encumbrances and together with all rights and benefits attaching or accruing to the Sale Shares, including without limitation, all rights to dividends and distributions declared, made or paid on or in respect of the Sale Shares on or after the Share Transfer Completion Date.

The Share Transfer Completion is conditional upon the fulfilment of a number of conditions, including but not limited to the conditions precedent to the completion of the Subscription Agreement having been fulfilled or waived (where permitted), as set out in the paragraph headed “Conditions precedent to the Share Transfer Completion” under the section headed “A. The Share Purchase Agreement” of this joint announcement.

The Vendor and Ace Source have agreed under the Share Purchase Agreement that Ace Source shall not be obliged to but may, at its absolute discretion, complete the purchase of the Sale Shares if the subscription of the Subscription Shares by Ace Source as contemplated by the Subscription Agreement does not complete simultaneously.

THE SUBSCRIPTION AGREEMENT

On the same day, being 29 June 2021 (after trading hours), the Company and Ace Source entered into the Subscription Agreement, pursuant to which Ace Source has conditionally agreed to subscribe for, and the Company has agreed to allot and issue to Ace Source, 252,000,000 Subscription Shares, at a consideration of HK\$37,800,000, being HK\$0.15 per Subscription Share, in cash. The Subscription Shares represent 20% of the issued share capital of the Company as at the date of this joint announcement and approximately 16.67% of the issued share capital of the Company as enlarged by allotment and issue of the Subscription Shares.

The Subscription Completion is conditional upon the fulfilment of a number of conditions as set out in the paragraph headed “Conditions precedent to the Subscription Completion” under the section headed “B. The Subscription Agreement” of this joint announcement.

The Company and Ace Source have agreed under the Subscription Agreement that Ace Source shall not be obliged to but may, at its absolute discretion, complete the subscription of the Subscription Shares if the sale and purchase of the Sale Shares as is contemplated by the Share Purchase Agreement does not complete simultaneously.

POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER FOR THE SHARES

As at the date of this joint announcement, the Vendor is the controlling Shareholder which holds 720,000,000 Shares, representing approximately 57.14% of the existing issued share capital of the Company. Since Ace Source has expressed its intention to obtain not less than 50.1% of the issued Shares during the negotiations among the parties to the Agreements, there is an understanding between the Vendor and Ace Source to enable Ace Source to consolidate control of the Company. The Vendor and Ace Source are therefore acting in concert.

As at the date of this joint announcement, Ace Source and parties acting in concert with it (excluding the Vendor) do not hold any Shares or control any voting rights over Shares. Upon Completion, Ace Source will hold 772,000,000 Shares, representing approximately 51.06% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares. Subject to Completion, Somerley will, for and on behalf of Ace Source and pursuant to the Takeovers Code, make the Offer, which would be at that time an unconditional mandatory cash offer, to the Shareholders to acquire all the Shares other than those already held or agreed to be acquired by Ace Source and parties acting in concert with it on the following basis:

For each Offer Share held HK\$0.15 in cash

The offer price per Offer Share is the same as the purchase price per Sale Share under the Share Purchase Agreement and the subscription price per Subscription Share under the Subscription Agreement.

In the event that the Offer is made, it will be an unconditional cash offer.

The principal terms of the Offer are summarised in the section headed “C. Possible unconditional mandatory cash offer for the Shares” of this joint announcement.

Ace Source will finance the consideration payable under the Offer, the consideration under the Share Purchase Agreement and the Subscription Agreement by unsecured shareholder’s loans from China Wantian. Somerley, as the financial adviser to Ace Source, is satisfied that sufficient resources are available to Ace Source to satisfy the funds required for the Completion and full acceptance of the Offer.

AS THE OFFER WILL ONLY BE MADE AFTER COMPLETION, THE OFFER MAY OR MAY NOT PROCEED AND IS THEREFORE A POSSIBILITY ONLY. INVESTORS AND SHAREHOLDERS ARE URGED TO EXERCISE CAUTION WHEN DEALING IN THE SHARES.

LISTING RULES IMPLICATIONS

Pursuant to the Share Purchase Agreement, Ace Source has conditionally agreed to acquire the Sale Shares, which represent approximately 41.27% of the issued share capital of the Company as at the date of this joint announcement. The Subscription Completion is intended to take place simultaneously with the Share Transfer Completion. As such, on the Subscription Completion Date (which is the same as the Share Transfer Completion Date), Ace Source will become a controlling Shareholder and therefore a connected person of the Company. The entering into of the Subscription Agreement between the Company and Ace Source therefore constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules which requires the approval of the Independent Shareholders by way of poll at the EGM.

As Ace Source will become a connected person of the Company upon the Share Transfer Completion and will have a material interest in the Subscription Agreement, Ace Source and its associates (if they are holding any Shares) are required to abstain from voting on the relevant resolution(s) to approve the Subscription Agreement and the transactions contemplated thereunder at the EGM. The Vendor and its associates will also abstain from voting on the relevant resolution(s) to approve the Subscription Agreement and the transactions contemplated thereunder at the EGM.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An independent board committee of the Company comprising all the independent non-executive Directors namely Ms. Li On Lei, Mr. Ng Ki Man and Mr. Lo Siu Kit, has been formed in order to make a recommendation to the Independent Shareholders regarding the Subscription Agreement and the transactions contemplated thereunder, and will include a non-executive Director, namely Mr. Wong Chung Yeung, for the purpose of making a recommendation to the Independent Shareholders regarding the Offer. Opus Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders (if applicable) in relation to the Subscription Agreement and transactions contemplated thereunder, and on the Offer. The appointment of Opus Capital Limited has been approved by the Independent Board Committee (including Mr. Wong Chung Yeung).

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 30 June 2021 pending the release of this joint announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 7 July 2021.

A. THE SHARE PURCHASE AGREEMENT

Date

29 June 2021 (after trading hours)

Parties

Vendor: Classic Line Holdings Limited, a company incorporated under the laws of the BVI with limited liability and beneficially wholly-owned by Mr. Liu

Purchaser: Ace Source Holdings Limited, a company incorporated under the laws of the BVI with limited liability

Subject of the Share Purchase Agreement

Pursuant to the Share Purchase Agreement, the Vendor has conditionally agreed to sell, and Ace Source (or its nominee) has conditionally agreed to acquire, 520,000,000 Sale Shares (representing (i) approximately 41.27% of the issued share capital of the Company as at the date of this joint announcement; and (ii) approximately 34.39% of the issued share capital of the Company as enlarged by allotment and issue of the Subscription Shares), at a total cash consideration of HK\$78,000,000, being HK\$0.15 per Sale Share, free from all encumbrances and together with all rights and benefits attaching or accruing to the Sale Shares, including without limitation, all rights to dividends and distributions declared, made or paid on or in respect of the Sale Shares on or after the Share Transfer Completion Date. As at the date of this joint announcement, the Company has not declared any dividend which remains unpaid, and the Company does not intend to declare, make or pay any dividend or other distributions prior to the close of the Offer.

Immediately after the Share Transfer Completion, the Vendor will hold 200,000,000 Shares (the “**Retained Shares**”), representing (i) approximately 15.87% of the issued share capital of the Company as at the date of this joint announcement; and (ii) approximately 13.23% of the issued share capital of the Company as enlarged by allotment and issue of the Subscription Shares. It is the intention of the Vendor that it will hold the Retained Shares as long term investments following the closing of the Offer. Save for the undertaking given in the Share Purchase Agreement by the Vendor to Ace Source that during the offer period (as defined in the Takeovers Code) it will not (i) create any encumbrance on or deal in all or any of the Retained Shares; or (ii) in respect of those Retained Shares, accept any Offer to be made as required under the Takeovers Code as a result of the Share Transfer Completion, there are no restrictions on the disposition of the Retained Shares held by the Vendor under the terms of the Share Purchase Agreement after the close of the offer period (as defined in the Takeovers Code). Save as disclosed in this joint announcement, there is no other arrangement between Ace Source and the Vendor regarding the Retained Shares.

Consideration for the Sale Shares

The total cash consideration for the Sale Shares is HK\$78,000,000, being HK\$0.15 per Sale Share, which was determined after arm's length negotiations between Ace Source and the Vendor taking into account (i) the business outlook and financial performance of the Group; and (ii) the fact that Ace Source will obtain a controlling interest in the Company upon the Share Transfer Completion.

The consideration for the Sale Shares shall be payable by Ace Source in the following manner:

- (a) within three (3) Business Days of signing of the Share Purchase Agreement, Ace Source shall pay a first deposit of HK\$15,000,000 to the Vendor;
- (b) within three (3) Business Days after the Company has submitted to the Stock Exchange a draft circular in relation to the Subscription for pre-vetting, Ace Source shall pay a second deposit of HK\$10,000,000 to the Vendor;
- (c) within three (3) Business Days after the Vendor notifies Ace Source of the Stock Exchange's confirmation of no further comments on the draft circular to be issued by the Company in relation to the Subscription, Ace Source shall pay a third deposit of HK\$20,000,000 to the Vendor; and
- (d) upon the Share Transfer Completion, Ace Source shall pay the remaining balance of the consideration being HK\$33,000,000 to the Vendor.

As at the date of this joint announcement, the first deposit of HK\$15,000,000 has been paid to the Vendor.

Vendor's undertakings

In accordance with the Share Purchase Agreement, the Vendor has undertaken to Ace Source that it will:

- (i) not, and will not attempt to, whether directly or indirectly, sell, transfer or dispose of, charge, grant any option or right over, or otherwise create any encumbrance on or deal in all or any of the Retained Shares until the close of the offer period (as defined in the Takeovers Code) of the Offer;
- (ii) not accept the Offer in respect of the Retained Shares;
- (iii) sign and deliver a deed of undertaking in relation to, amongst others, items (i) and (ii) mentioned above, to Ace Source at the Share Transfer Completion; and
- (iv) sign all such deeds and documents in respect of the Retained Shares at or after the Share Transfer Completion as required by the SFC and/or the Stock Exchange.

Conditions precedent to the Share Transfer Completion

Completion of the Share Purchase Agreement shall be subject to the following conditions precedent being fulfilled (or, where applicable, waived by the parties):

- (a) the Shares remaining listed and traded on the Stock Exchange; no notification or indication being received from the Stock Exchange or the SFC prior to the Share Transfer Completion that the Company may not be suitable for listing for the purposes of the Listing Rules or that the listing of the Shares on the Stock Exchange will or may be, for whatever reason, withdrawn or suspended for more than seven consecutive Business Days (excluding any suspension for the purpose of obtaining clearance from the Stock Exchange or the SFC for this joint announcement and/or any other announcements relating to the transactions contemplated under the Share Purchase Agreement and/or the Subscription Agreement);
- (b) if required, all approvals, consents and acts required under the Listing Rules and/or any other applicable laws and regulations or otherwise required of the Group and/or the Vendor from the Stock Exchange, the SFC or any other relevant regulatory authorities or any third parties (including banks or financial institutions) in connection with the Share Purchase Agreement and the transactions contemplated thereunder having been obtained or completed or, as the case may be, the relevant waiver from compliance with any such laws, rules, regulations or requirements having been obtained from the relevant regulatory authorities or third parties;
- (c) the warranties given by the Vendor pursuant to the Share Purchase Agreement remaining true, accurate and complete in all material respects and not misleading in any material respect as at the date of the Share Purchase Agreement and the Share Transfer Completion Date by reference to the facts and circumstances subsisting as at the date of the Share Purchase Agreement and the Share Transfer Completion Date respectively;
- (d) the conditions precedent to the completion of the Subscription Agreement having been fulfilled or waived (where permitted);
- (e) the warranties given by Ace Source pursuant to the Share Purchase Agreement remaining true, accurate and complete in all material respects and not misleading in any material respect as at the date of the Share Purchase Agreement and the Share Transfer Completion Date by reference to the facts and circumstances subsisting as at the date of the Share Purchase Agreement and the Share Transfer Completion Date respectively; and
- (f) Ace Source having completed all relevant procedures required under any applicable laws and regulations or otherwise required of Ace Source by any competent authority in respect of the purchase of the Sale Shares by Ace Source and in connection with the Share Purchase Agreement and the transactions contemplated thereunder.

Ace Source may, at its absolute discretion, waive at any time by notice in writing to the Vendor all or any of conditions precedent (a), (c) and (d) above. The Vendor may, at its absolute discretion, waive at any time by notice in writing to Ace Source condition precedent (e) above. Conditions precedent (b) and (f) are not waivable in any event.

In respect of condition precedent (b), as at the date of this joint announcement, there is no approval, consent, act or waiver from compliance required of the Group or the Vendor in connection with the Share Purchase Agreement and the transactions contemplated thereunder, whether under the Listing Rules or any law or regulation or from the Stock Exchange, the SFC or any other regulatory authority or third party.

Share Transfer Completion

The Share Transfer Completion shall take place on the third Business Day after the day on which all the conditions precedent above have been fulfilled or waived, or such other date as the parties to the Share Purchase Agreement may agree in writing.

In accordance with the Share Purchase Agreement:

If on or before the Long Stop Date, condition precedent (a) has not been satisfied (or waived) and/or condition precedent (b) has not been satisfied due to any act or omission on the part of the Vendor and/or its affiliates, the Vendor shall, within three Business Days from the Long Stop Date, refund the deposits received in full to Ace Source. If the Vendor fails to refund the deposits received to Ace Source in full within such period of three Business Days, the Vendor shall also pay to Ace Source interest on the deposits pursuant to the Share Purchase Agreement.

- i. Upon the refund of the deposits received together with the accrued interest, if any, by the Vendor to Ace Source, neither the Vendor nor Ace Source shall be bound to proceed with the sale and purchase of the Sale Shares and the Share Purchase Agreement shall terminate and shall cease to have any further legal force or effect, save in respect of claims arising out of any antecedent breach of the Share Purchase Agreement by either party.
- ii. If on or before the Long Stop Date, (i) conditions precedent (a) and (b) have been satisfied or waived (where permitted); or (ii) condition precedent (a) has been satisfied (or waived) and condition precedent (b) has not been satisfied otherwise than due to any act or omission on the part of the Vendor and/or its affiliates, and Ace Source fails, or chooses not, to complete the sale and purchase of the Sale Shares, the Vendor shall be entitled to forfeit the deposits received from Ace Source and upon which neither the Vendor nor Ace Source shall be bound to proceed with the sale and purchase of the Sale Shares and the Share Purchase Agreement shall terminate and shall cease to have any further legal force or effect, save in respect of claims arising out of any antecedent breach of the Share Purchase Agreement by either party.
- iii. If all the conditions precedent have been satisfied or waived (where permitted) on or before the Long Stop Date but the Vendor fails to complete the sale and purchase of the Sale Shares in accordance with the terms of the Share Purchase Agreement, the Vendor shall, within three Business Days from the date on which the Share Transfer Completion shall have taken place but for the Vendor's failure to complete, refund the deposits received in full to Ace Source and pay to Ace Source as and by way of agreed liquidated damages a sum equivalent to the

deposits received by the Vendor. If the Vendor fails to refund the deposits received and pay the agreed liquidated damages to Ace Source in full within such period of three Business Days, the Vendor shall also pay to Ace Source interest on the deposits and the agreed liquidated damages pursuant to the Share Purchase Agreement. Upon full payment of the aforesaid sums by the Vendor to Ace Source, neither the Vendor nor Ace Source shall be bound to proceed with the sale and purchase of the Sale Shares and the Share Purchase Agreement shall terminate and shall cease to have any further legal force or effect, save in respect of claims arising out of any antecedent breach of the Share Purchase Agreement by either party.

The Vendor shall not be liable to refund the deposits or for payment of any liquidated damages save for in the circumstances set out in (i) and (iii) above. Without prejudice to (i), (ii) and (iii) above, if any of the conditions precedent is not fulfilled (or waived by the relevant party, except that the conditions precedent (b) and (f) cannot be waived) on or before the Long Stop Date, neither Ace Source nor the Vendor shall be obliged to proceed to the Share Transfer Completion; the Share Purchase Agreement shall from such date cease to have any effect; and neither Ace Source nor the Vendor shall have any claim against each other, except in respect of claims arising out of any antecedent breach of any provision of the Share Purchase Agreement.

The Vendor and Ace Source have agreed under the Share Purchase Agreement that Ace Source shall not be obliged to but may, at its absolute discretion, complete the purchase of the Sale Shares if the subscription of the Subscription Shares by Ace Source as contemplated by the Subscription Agreement does not complete simultaneously. The Vendor and Ace Source confirm that should Ace Source choose to complete the purchase of the Sale Shares according to the terms of the Share Purchase Agreement in the circumstance where the subscription of the Subscription Shares does not complete simultaneously, Ace Source may only purchase all but not part of the Sale Shares.

Net assets of the Group

Following the Share Transfer Completion, the Vendor shall prepare the Completion Balance Sheet which shall be reviewed by the audit committee of the Company and shall be delivered to Ace Source as soon as practicable after the Share Transfer Completion and in any event within three months after the last day of the calendar month in which the Share Transfer Completion takes place. Upon receipt of the Completion Balance Sheet, Ace Source shall have thirty days to decide whether to accept or to raise any objections in relation to the calculation of the assets and liabilities of the Group. If Ace Source does not notify the Vendor in writing of its disagreement as regards the calculation by the end of the thirty days period, Ace Source shall be deemed to have agreed to the Completion Balance Sheet.

If the Vendor and Ace Source cannot agree on the Completion Balance Sheet within sixty Business Days from the receipt of the Completion Balance Sheet by Ace Source, either party may refer the dispute to an independent accountant to be nominated by Ace Source and approved by the Vendor (whose approval shall not be unreasonably withheld), who shall act as an expert and not an arbitrator and whose decision shall be final and binding on both parties.

Within five Business Days of the final determination of the Completion Balance Sheet, if the consolidated net asset value of the Group (the “**Completion NAV**”) shall be less than HK\$68,000,000, the Vendor shall pay to Ace Source an amount equivalent to the shortfall between HK\$68,000,000 and the Completion NAV. If the Completion NAV shall be equal to or more than HK\$68,000,000, Ace Source shall have no obligation to make any payment to the Vendor.

B. THE SUBSCRIPTION AGREEMENT

Date

29 June 2021 (after trading hours)

Parties

- (i) The Company (as issuer); and
- (ii) Ace Source (as subscriber)

Pursuant to the Subscription Agreement, Ace Source has conditionally agreed to subscribe for, and the Company has agreed to allot and issue to Ace Source, 252,000,000 Subscription Shares, at a consideration of HK\$37,800,000, being HK\$0.15 per Subscription Share, in cash. The Subscription Shares represent 20% of the issued share capital of the Company as at the date of this joint announcement and approximately 16.67% of the issued share capital of the Company as enlarged by allotment and issue of the Subscription Shares.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiry, immediately before entering into the Subscription Agreement and the Share Purchase Agreement, Ace Source and each of its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

Consideration for the Subscription Shares

The subscription price of HK\$0.15 per Subscription Share represents:

- (i) a premium of approximately 7.14% over the closing price of HK\$0.140 per Share as quoted on the Stock Exchange as at the Last Trading Day;
- (ii) a discount of approximately 4.46% to the average closing price of approximately HK\$0.157 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the Last Trading Day;
- (iii) a discount of approximately 11.76% to the average closing price of approximately HK\$0.170 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to the Last Trading Day; and

- (iv) a premium of approximately 102.70% over the consolidated net asset attributable to the owners of the Company of approximately HK\$0.074 per Share as at 31 March 2021 (calculated based on the consolidated equity attributable to the Shareholders of approximately HK\$93.28 million (the figures of which have been agreed with the Group's auditors) as at 31 March 2021 and 1,260,000,000 Shares in issue as at 31 March 2021).

The aggregate nominal value of the Subscription Shares is HK\$2,520,000, and the market value of the Subscription Shares is HK\$35,280,000, based on the closing price of HK\$0.140 per Share on the Last Trading Day.

The subscription price of HK\$0.15 per Subscription Share has been arrived at after arm's length negotiations between Ace Source and the Company, with reference to, among other things, (i) the business outlook and financial performance of the Group; and (ii) the consideration per Sale Share of HK\$0.15.

The consideration for the Subscription will be payable in cash by Ace Source to the Company at the Subscription Completion. The Subscription Shares, when allotted, issued and fully paid, will rank pari passu in all respects with the Shares in issue on the date of allotment and issue of the Subscription Shares, including the right to receive all dividends and distributions which may be declared, made or paid on or after such date.

Conditions precedent to the Subscription Completion

Completion of the Subscription Agreement shall be subject to the following conditions precedent being fulfilled (or, where applicable, waived):

- (a) the Shares remaining listed and traded on the Stock Exchange; no notification or indication being received from the Stock Exchange or the SFC prior to the Subscription Completion that the Company may not be suitable for listing for the purposes of the Listing Rules or that the listing of the Shares on the Stock Exchange will or may be, for whatever reason, withdrawn or suspended for more than seven consecutive Business Days (excluding any suspension for the purpose of obtaining clearance from the Stock Exchange or the SFC for this joint announcement and/or any other announcements relating to the transactions contemplated under the Subscription Agreement and/or the Share Purchase Agreement);
- (b) the passing by the Shareholders or, where applicable, the independent Shareholders, at a general meeting all resolutions as may be required under the Listing Rules and/or any other applicable laws and regulations, including without limitation, resolutions approving the Subscription Agreement and the transactions contemplated thereunder;
- (c) the Company's warranties remaining true, accurate and complete in all material respects and not misleading in any material respect as at the date of the Subscription Agreement and the Subscription Completion Date by reference to the facts and circumstances subsisting as at the date of the Subscription Agreement and the Subscription Completion Date respectively;

- (d) the Stock Exchange having granted approval for the listing of, and permission to deal in, the Subscription Shares and such approval and permission not being subsequently withdrawn or revoked by the Stock Exchange;
- (e) if required, all other approvals, consents and acts required under the Listing Rules and/or any other applicable laws and regulations or otherwise required from any third parties (including banks or financial institutions) in connection with the Subscription and the transactions contemplated thereunder having been obtained or completed or, where applicable, the relevant waiver from compliance with any such laws, rules, regulations or requirements having been obtained from the Stock Exchange, the SFC or any other relevant regulatory authorities or any relevant third parties;
- (f) the conditions precedent to the completion of the Share Purchase Agreement having been fulfilled or waived (where permitted) (save for condition precedent (d) which requires all the conditions precedent to the completion of the Subscription Agreement to be fulfilled or waived (where permitted)); and
- (g) warranties given by Ace Source pursuant to the Subscription Agreement remaining true, accurate and complete in all material respects and not misleading in any material respect as at the date of the Subscription Agreement and the Subscription Completion Date by reference to the facts and circumstances subsisting as at the date of the Subscription Agreement and the Subscription Completion Date respectively.

Ace Source may, at its absolute discretion, waive at any time by notice in writing to the Company conditions precedent (c) and (f) above. The Company may, at its absolute discretion, waive at any time by notice in writing to Ace Source condition precedent (g) above. Conditions precedent (a), (b), (d) and (e) are not waivable in any event.

In respect of condition precedent (e), as at the date of this joint announcement, save as mentioned in conditions precedent (b) and (d), there is no other approval, consent, act or waiver from compliance is required in connection with the Subscription Agreement and the transactions contemplated thereunder, whether under the Listing Rules or any law or regulation or from any third party.

Subscription Completion

The Subscription Completion shall take place on the third Business Day after the day on which all the conditions precedent above have been fulfilled or waived or such other date as the parties to the Subscription Agreement may agree in writing.

If any of the conditions precedent is not fulfilled or, where applicable, waived by Ace Source or the Company on or before the Long Stop Date, neither Ace Source nor the Company shall be obliged to proceed to Subscription Completion; the Subscription Agreement shall terminate and cease to have any effect; and neither Ace Source nor the Company shall have any claim against each other, except in respect of any claim arising out of any antecedent breach of any provision of the Subscription Agreement.

The Company and Ace Source have agreed under the Subscription Agreement that Ace Source shall not be obliged to but may, at its absolute discretion, complete the subscription of the Subscription Shares if the sale and purchase of the Sale Shares as is contemplated by the Share Purchase Agreement does not complete simultaneously.

Reasons for the Subscription and use of proceeds

The Subscription forms part and parcel of the transactions contemplated under the Share Purchase Agreement and therefore a crucial part for achieving Share Transfer Completion, and only following Share Transfer Completion, will the Offer be made. Upon Subscription Completion and Share Transfer Completion, Ace Source will be interested in approximately 51.06% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

The Subscription will bring in new capital to the Group which Ace Source considers will strengthen the Group's balance sheet. The Subscription and the Share Transfer together allow Ace Source to take statutory control over the Group i.e. not less than 50.1% of the issued capital of the Company. During the negotiations among the parties to the Agreements, Ace Source has expressed its intention to obtain not less than 50.1% of the issued Shares. As Mr. Liu, the ultimate beneficial owner of the Vendor and the founder of the Group, intends to maintain the Retained Shares as long term investments, Ace Source would only be able to acquire approximately 41.27% of the issued shares capital of the Company pursuant to the Share Transfer. In view of the uncertainty of receiving sufficient offer acceptances so that Ace Source will obtain over 50.1% voting rights of the Company, the Subscription is intended by Ace Source to secure statutory control over the Group before the commencement of the Offer.

The Directors consider the Subscription to be an appropriate means of raising additional capital for the Company without incurring interest costs whilst broadening the capital base of the Company. The estimated net proceeds from the Subscription is approximately HK\$36.80 million, representing a net price of approximately HK\$0.146 per Subscription Share. The Company intends to apply (i) approximately HK\$22.00 million of the net proceeds for repaying the Group's bank borrowings; (ii) approximately HK\$10.00 million of the net proceeds for establishing two retail outlets to expand the sales channels for the food ingredients of the Group to the retail market; and (iii) the balance of the net proceeds towards general working capital purposes. As at the date of this joint announcement, no agreement has been entered into by the Group in relation to the establishment of the retail outlets. Further announcement(s) in relation to the establishment of the retail outlets will be made by the Company as and when appropriate in accordance with the Listing Rules.

Based on the above, the Board (excluding the Independent Board Committee which will provide its recommendations after considering the advice of the Independent Financial Adviser) considers that the terms of the Subscription Agreement are fair and reasonable, on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

Specific mandate

The Subscription Shares will be allotted and issued under the specific mandate proposed to be sought from the Independent Shareholders by way of poll at the EGM.

Listing application in respect of the Subscription Shares

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares on the Main Board of the Stock Exchange.

Equity fund raising by the Company

The Company did not carry out any fund raising exercises in the past 12 months immediately preceding the date of this joint announcement.

Listing Rules implications

Pursuant to the Share Purchase Agreement, Ace Source has conditionally agreed to acquire the Sale Shares, which represent approximately 41.27 % of the issued share capital of the Company as at the date of this joint announcement. The Subscription Completion is intended to take place simultaneously with the Share Transfer Completion. As such, on the Subscription Completion Date (which is the same as the Share Transfer Completion Date), Ace Source will become a controlling Shareholder and therefore a connected person of the Company. The entering into of the Subscription Agreement between the Company and Ace Source therefore constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules which requires the approval of the Independent Shareholders by way of poll at the EGM.

As Ace Source will become a connected person of the Company upon the Share Transfer Completion and will have a material interest in the Subscription Agreement, Ace Source and its associates (if they are holding any Shares) are required to abstain from voting on the relevant resolution(s) to approve the Subscription Agreement and the transactions contemplated thereunder at the EGM.

The Vendor and its associates will also abstain from voting on the relevant resolution(s) to approve the Subscription Agreement and the transactions contemplated thereunder at the EGM.

SINCE COMPLETION OF THE SHARE TRANSFER AND SUBSCRIPTION IS SUBJECT TO THE FULFILMENT OF THE CONDITION(S) AS SET OUT IN THE SHARE PURCHASE AGREEMENT AND SUBSCRIPTION AGREEMENT, THE SHARE TRANSFER AND SUBSCRIPTION MAY OR MAY NOT PROCEED. SHAREHOLDERS AND POTENTIAL INVESTORS ARE REMINDED TO EXERCISE CAUTION WHEN DEALING IN THE SHARES.

C. POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER FOR THE SHARES

The Offer

As at the date of this joint announcement, the Vendor is the controlling Shareholder which holds 720,000,000 Shares, representing approximately 57.14% of the existing issued share capital of the Company. As discussed under the paragraph headed “Reasons for the Subscription and use of proceeds” under the section headed “B. The Subscription Agreement” above, since Ace Source has expressed its intention to obtain not less than 50.1% of the issued Shares during the negotiations among the parties to the Agreements, there is an understanding between the Vendor and Ace Source to enable Ace Source to consolidate control of the Company. The Vendor and Ace Source are therefore acting in concert.

As at the date of this joint announcement, Ace Source and parties acting in concert with it (excluding the Vendor) do not hold any Shares or control any voting rights over Shares. Upon Completion, Ace Source will hold 772,000,000 Shares, representing approximately 51.06% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares. Subject to Completion, Somerley will, for and on behalf of Ace Source and pursuant to the Takeovers Code, make the Offer, which would be at that time an unconditional mandatory cash offer, to the Shareholders to acquire all the Shares other than those already held or agreed to be acquired by Ace Source and parties acting in concert with it on the following basis:

For each Offer Share heldHK\$0.15 in cash

The offer price per Offer Share is the same as the purchase price per Sale Share under the Share Purchase Agreement and the subscription price per Subscription Share under the Subscription Agreement.

The making of the Offer is a possibility only and it may or may not proceed.

In the event that the Offer is made, it will be an unconditional cash offer.

Immediately after the Share Transfer Completion and the Subscription Completion, the Company will have 1,512,000,000 Shares in issue. As at the date of this joint announcement, the Company has no outstanding securities, options, warrants or derivatives which are convertible into or which confer rights to require the issue of Shares.

Based on the offer price of HK\$0.15 per Offer Share and 1,512,000,000 Shares in issue immediately following Subscription Completion, the entire issued share capital of the Company is valued at approximately HK\$226.80 million. Upon Completion, 200,000,000 Shares shall be retained by the Vendor who has undertaken, during the offer period (as defined in the Takeovers Code), (i) not to accept the Offer in respect of the Retained Shares; and (ii) not, and will not attempt, whether directly or indirectly, to sell, transfer or dispose of, charge, grant any option or right over, or otherwise create any encumbrance on or deal in all or any of the Retained Shares. The Offer will be made to the Independent Shareholders who in aggregate hold 540,000,000 Shares as at the date of

this joint announcement. Based on the offer price of HK\$0.15 per Offer Share, the Offer is valued at approximately HK\$81,000,000 assuming there is no change in the issued share capital of the Company from the date of this joint announcement up to the close of the Offer save for the issue and allotment of Subscription Shares.

Comparison of value

The offer price of HK\$0.15 per Offer Share represents:

- (i) a premium of approximately 7.14% over the closing price of HK\$0.14 per Share as quoted on the Hong Kong Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 4.46% to the average closing price of approximately HK\$0.157 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the Last Trading Day;
- (iii) a discount of approximately 11.76% to the average closing price of approximately HK\$0.170 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to the Last Trading Day;
- (iv) a discount of approximately 10.18% to the average closing price of approximately HK\$0.167 per Share as quoted on the Stock Exchange for the last thirty consecutive trading days immediately prior to the Last Trading Day;
- (v) a premium of approximately 102.70% over the consolidated net asset attributable to the owners of the Company of approximately HK\$0.074 per Share as at 31 March 2021 (calculated based on the consolidated equity attributable to the Shareholders of approximately HK\$93.28 million (the figures of which have been agreed with the Group's auditors) as at 31 March 2021 and 1,260,000,000 Shares in issue as at 31 March 2021).

Highest and lowest Share prices

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the six-month period immediately prior to and including the Last Trading Day were HK\$0.189 per share on 9 June 2021 and HK\$0.075 per Share on 11, 12, 15, 16 and 17 March 2021, respectively.

Financial resources available to the offeror

Ace Source will finance the considerations payable under the Offer, the Share Purchase Agreement and the Subscription Agreement by unsecured shareholder's loans from China Wantian. Somerley, as the financial adviser to Ace Source, is satisfied that sufficient resources are available to Ace Source to satisfy the funds required for the Completion and full acceptance of the Offer.

Effect of accepting the Offer

As at the date of this joint announcement, the Company has not declared any dividend which remains unpaid, and the Company does not intend to declare, make or pay any dividend or other distributions prior to the close of the Offer.

The Offer, subject to Completion taking place, will be unconditional. By accepting the Offer, the Shareholders will sell their Shares free from all encumbrances and together with all rights attaching to them including the right to receive all dividends and distributions which may be declared, paid or made at any time on or after the date on which the Offer is made, being the date of despatch of the 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 whatsoever and together with all rights accruing or attaching thereto, including, without limitation, the right to receive dividends and distributions declared, paid or made, if any, 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

As at the date of this joint announcement, seller's Hong Kong ad valorem stamp duty on acceptances of the Offer is at a rate of 0.1% of the consideration payable in respect of the relevant acceptance by the Shareholders or if higher, the market value of the Shares. With effect from 1 August 2021, the rate will be increased from 0.1% to 0.13%. The seller's Hong Kong ad valorem stamp duty on acceptances of the Offer will be deducted from the amount payable to Shareholders who accept the Offer. Ace Source will arrange for payment of the seller's Hong Kong ad valorem stamp duty on behalf of the relevant Shareholders accepting the Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

Payment

Payment in cash in respect of acceptances of the Offer will be made as soon as possible but in any event within seven (7) business days (as defined in the Takeovers Code) of the date on which the duly completed acceptances of the Offer and the relevant documents of title in respect of such acceptances are received by Ace Source (or its agent) to render each such acceptance complete and valid.

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 Ace Source, parties acting in concert with it, the Company, Somerley, 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.

Dealing and interests in the Company's securities

Save for the entering into of the Agreements, none of Ace Source, its ultimate beneficial owners and parties acting in concert with any of them have dealt in any Shares, options, warrants, derivatives or securities convertible into Shares or other derivatives in respect of the securities in the Company during the six-month period immediately preceding 7 July 2021 (being the date of this joint announcement and the date of commencement of the offer period for the Offer). Save for the Subscription Agreement, Ace Source, its ultimate beneficial owners and parties acting in concert with any of them have not entered into any agreements in relation to the issue of any Shares, options, warrants, derivatives or securities convertible into Shares or other derivatives in respect of the securities of the Company.

Other arrangements

Ace Source confirms that, as the date of this joint announcement:

- (i) save for the 720,000,000 Shares held by the Vendor, none of Ace Source, its ultimate beneficial owners, nor any person acting in concert with any of them own or have control or direction over any voting rights or rights over the Shares or convertible securities, warrants, options of the Company or any derivatives in respect of such securities;
- (ii) save for the undertaking given by Vendor as detailed in paragraph headed "Vendor's Undertakings" above, Ace Source, 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;
- (iii) there is no outstanding derivative in respect of securities in the Company which has been entered into by Ace Source, its ultimate beneficial owners and/or any person acting in concert with any of them;
- (iv) save for the Share Purchase Agreement and the Subscription Agreement, there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of Ace Source or the Company which may be material to the Offer (as referred to in Note 8 to Rule 22 of the Takeovers Code);

- (v) save for the Share Purchase Agreement and the Subscription Agreement, there are no other agreements or arrangements to which Ace Source is a party and relate to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer;
- (vi) Ace Source, its ultimate beneficial owners and parties acting concert with any of them have not borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (vii) other than the consideration of HK\$78,000,000 paid and to be paid to the Vendor under the Share Purchase Agreement, there is no other consideration, compensation or benefits in whatever form provided or to be provided by Ace Source, its ultimate beneficial owners or parties acting in concert with any of them (excluding the Vendor) to any of the Vendor or parties acting in concert with it (excluding Ace Source) in connection with the Share Transfer and the Offer;
- (viii) there is no understanding, arrangement or agreement which constitutes a special deal (as defined under Rule 25 of the Takeovers Code) between (i) Ace Source, its ultimate beneficial owners or parties acting in concert with any of them (excluding the Vendor) on one hand; and (ii) the Vendor and parties acting in concert with it (excluding Ace Source) on the other hand; and
- (ix) there is no understanding, arrangement or agreement which constitutes a special deal (as defined under Rule 25 of the Takeovers Code) between (i) Ace Source, its ultimate beneficial owners or parties acting in concert with any of them on one hand and (ii) any Shareholders on the other hand.

The Company confirms that, as at the date of this joint announcement, there is no understanding, arrangement or agreement which constitutes a special deal (as defined under Rule 25 of the Takeovers Code) between (i) the Company, its subsidiaries or associated companies on one hand and (ii) any Shareholders on the other hand.

Overseas Shareholders

The Overseas Shareholders should observe any applicable legal or regulatory requirements and, where necessary, seek 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 jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Overseas Shareholders in respect of such jurisdictions).

D. SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the date of this joint announcement; and (ii) immediately upon the Share Transfer Completion and the Subscription Completion but before the commencement of the Offer (assuming no other changes in the issued share capital and shareholding structure in the Company from the date of this joint announcement up to Completion save for the issue of the Subscription Shares):

	As at the date of this joint announcement		Immediately after the Share Transfer Completion and the Subscription Completion but before the commencement of the Offer	
	Number of Shares	Approx. %	Number of Shares	Approx. %
Ace Source (Note 1)	–	–	772,000,000	51.06
Vendor (Note 2)	720,000,000	57.14	200,000,000	13.23
Sub-total for Ace Source and parties acting in concert with it	720,000,000	57.14	972,000,000	64.29
Public Shareholders	540,000,000	42.86	540,000,000	35.71
Total	1,260,000,000	100.00	1,512,000,000	100.00

Notes:

1. Ace Source is owned by China Wantian, Yap Global and Hooy Investment as to 81%, 12% and 7% equity interest, respectively. For more details, please refer to section headed “E. Information on Ace Source” below.
2. The Vendor is beneficially wholly-owned by Mr. Liu.

E. INFORMATION ON ACE SOURCE

Ace Source is an investment holding company incorporated in the BVI with limited liability. As at the date of this joint announcement, save for entering into of the Share Purchase Agreement and the Subscription Agreement, Ace Source has not engaged in any substantial business activities. As at the date of this joint announcement, Mr. Hooy, Mr. Zhong Xueyong and Mr. Lau Yau Chuen Louis are the directors of Ace Source.

As at the date of this joint announcement, Ace Source, is owned by China Wantian, Yap Global and Hooy Investment as to 81%, 12% and 7% equity interest, respectively.

China Wantian is an investment holding company incorporated in Hong Kong with limited liability and is owned by Wise Global Holding Limited and Courage Rise Holdings Limited as to 60% and 40% equity interest, respectively. Each of Wise Global Holding Limited and Courage Rise Holdings Limited is an investment holding company incorporated in the BVI with limited liability. Mr. Hooy is the sole beneficial owner of Wise Global Holding Limited, while Mr. Zhong Xueyong is the sole beneficial owner of Courage Rise Holdings Limited.

Hooy Investment is an investment holding company incorporated in the BVI with limited liability and is beneficially owned by each of Mr. Hooy Say Kai and Mr. Hooy Kwok Pun as to approximately 28.57% equity interest, and each of Mr. Hooy Kok Kuen, Ms. Hooy Siew Kuen and Ms. Leong Kwai Ho as to approximately 14.29% equity interest.

Yap Global is an investment holding company incorporated in the BVI with limited liability and is beneficially owned by each of Ms. Yap Hong Akiw and Ms. Yap Hong Kek as to approximately 16.67% equity interest, and each of Ms. Yap Yuk Kiew, Mr. Yap Fong Kee, Ms. Yap Hong Leng, Mr. Yap Kong Meng, Ms. Yap Siew Chow, Ms. Yap Siew Ngoh, Ms. Yap Su Chai, and Mr. Yek Hon Su as to approximately 8.33% equity interest.

Mr. Hooy, age 62, is a Singaporean Chinese entrepreneur and has extensive experience in investment and company management. He is one of the founders and serves as the vice-chairman of Perfect (China) Co., Ltd* (完美(中國) 有限公司) (“**Perfect China**”) since 1994. Perfect China is principally engaged in research, development, manufacturing, and sale of personal care products, cosmetics, health food, and household cleaning necessities through direct sales in the PRC. His role in Perfect China is to oversee the operation and management of the company. Mr. Hooy has also been a director of Yen Lee Holdings Pte Ltd. since April 1980, a corporation based in Singapore which is principally engaged in wholesale and retail of various industrial tools, firefighting, safety, rescue and life-saving equipment in Southeast Asia. Mr. Hooy is the honorary president of Chung Shan Association (Singapore).

Mr. Hooy Say Kai and Ms. Leong Kwai Ho are the parents of Mr. Hooy; each of Mr. Hooy Kwok Pun, Ms. Hooy Siew Kuen and Mr. Hooy Kok Kuen is a sibling of Mr. Hooy; Ms. Yap Yuk Kiew (“**Mrs. Hooy**”) is the spouse of Mr. Hooy; each of Ms. Yap Hong Akiw, Ms. Yap Hong Kek, Mr. Yap Fong Kee, Ms. Yap Hong Leng, Mr. Yap Kong Meng, Ms. Yap Siew Chow, Ms. Yap Siew Ngoh, Ms. Yap Su Chai, Mr. Yek Hon Su is a sibling of Mrs. Hooy and a sibling-in-law of Mr. Hooy.

As at the date of this joint announcement, Mr. Zhong Xueyong is not a family member or close relative of any of the ultimate beneficial shareholders of Ace Source.

F. INTENTION OF ACE SOURCE REGARDING THE GROUP

Ace Source intends to continue the principal business of the Group and has no intention to dispose of the Company's businesses immediately after completion of the Offer. Following the closing of the Offer, Ace Source will conduct a detailed review of the business operations and financial position of the Group for the purpose of formulating business plans and strategies for the future business development of the Group. Subject to the result of the review and should suitable investment or business opportunities arise, Ace Source may consider diversifying the business of the Group with an objective to broaden its income source. However, as the date of this joint announcement, no such investment or business opportunities have been identified nor has Ace Source entered into any agreements, arrangements, understandings, intention or negotiation in relation to injecting any assets or business into the Group. As at the date of this joint announcement, Ace Source has not entered into any agreement, arrangements, understandings, intention or negotiations in relation to redeployment of the employees, disposal and/or redeployment of the assets of the Group, or termination or scaling-down of any of the Group's business.

Changes to the composition of the Board

The Board is currently made up of two executive Directors, being Mr. Liu and Ms. Wu Shuk Kwan, a non-executive Director, being Mr. Wong Chung Yeung and three independent non-executive Directors, being Ms. Li On Lei, Mr. Ng Ki Man and Mr. Lo Siu Kit.

Pursuant to the Share Purchase Agreement, at the Share Transfer Completion, the Vendor will procure all existing Directors (except Mr. Liu) to give notice to resign from their positions as Directors with effect from the earliest time permitted under the Takeovers Code.

Ace Source intends to nominate new director(s) to the Board with effect from the earliest time permitted under the Takeovers Code. As at the date of this joint announcement, Ace Source has not reached any final decision as to who will be nominated as new director(s) of the Company. Any changes to the members of the Board will be made in compliance with the Takeovers Code and the Listing Rules and further announcement(s) will be made as and when appropriate.

G. INFORMATION ON THE GROUP

The Group is principally engaged in the sourcing, processing and supplying of food ingredients in Hong Kong.

The following table is a summary of certain financial information of the Group for the two financial years ended 31 March 2020 and 31 March 2021, respectively, as extracted from the Company's annual results announcement for the year ended 31 March 2021.

	For the year ended 31 March	
	2021	2020
	(unaudited)^{Note}	(audited)
	HK\$'000	HK\$'000
Revenue	106,706	154,078
Loss before tax	(8,560)	(3,572)
Loss for the year attributable to owners of the Company	(8,240)	(4,739)
	As at 31 March	
	2021	2020
	(unaudited)^{Note}	(audited)
	HK\$'000	HK\$'000
Net assets	93,271	101,515

Note: The financial information for the year ended/as at 31 March 2021 are extracted from the Group's consolidated statement of comprehensive income and consolidated statement of financial position as set out in the Company's annual results announcement dated 22 June 2021. The figures have not been audited but have been agreed with the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 March 2021.

H. GENERAL

Maintenance of the listing status of the Company

Ace Source intends to maintain the listing of the Shares on the Stock Exchange, and it will irrevocably undertake that, among other things, it will be responsible for maintaining the 25% public float requirement upon the closing of the Offer.

Public float and maintaining the listing status of the Company

Pursuant to the Listing Rules, if, after the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, is 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,

the Stock Exchange will consider exercising its discretion to suspend trading in the Shares.

EGM

The EGM will be held for the purpose of considering and, if thought fit, approving the resolutions in respect of the Subscription Agreement and the transactions contemplated thereunder by Independent Shareholders by way of poll at the EGM. The Vendor, Ace Source, their respective associates and parties acting in concert with any of them will abstain from voting on the relevant resolution(s).

As at the date of this joint announcement, the Vendor held 720,000,000 Shares, representing 57.14% of the existing issued share capital of the Company.

Save for the 720,000,000 Shares held by the Vendor and the interests in the Share Purchase Agreement and the Subscription Agreement, none of Ace Source, its associates and parties acting in concert with any of them hold any Shares as at the date of this joint announcement.

Independent Board Committee

An independent board committee of the Company comprising all the independent non-executive Directors namely Ms. Li On Lei, Mr. Ng Ki Man and Mr. Lo Siu Kit, has been formed in order to make a recommendation to the Independent Shareholders regarding the Subscription Agreement and the transactions contemplated thereunder, and will include a non-executive Director, namely Mr. Wong Chung Yeung, for the purpose of making a recommendation to the Independent Shareholders regarding the Offer.

The Circular and appointment of Independent Financial Adviser pursuant to Rule 2.1 of the Takeovers Code

The Circular containing, among other things, details about the Subscription Agreement, a letter of advice from the Independent Board Committee to the Independent Shareholders, a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Subscription Agreement and transactions contemplated thereunder and a notice convening the EGM will be despatched to the Shareholders. Owing to the time required to prepare the information to be contained in the Circular, the Circular is expected to be despatched by the Company to the Shareholders on or before 28 July 2021.

Opus Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders (if applicable) in relation to the Subscription Agreement and transactions contemplated thereunder, and on the Offer. The appointment of Opus Capital Limited has been approved by the Independent Board Committee (including Mr. Wong Chung Yeung) pursuant to Rule 2.1 of the Takeovers Code.

DESPATCH OF COMPOSITE DOCUMENT

Ace Source and the Company intend to combine the offer document and the offeree's board circular into a composite document which will contain amongst others, details of the Offer, accompanied by the relevant form of acceptance and transfer, and incorporating the recommendation from the Independent Board Committee and the advice letter from the Independent Financial Adviser in respect of the Offer. In accordance with Rule 8.2 of the Takeovers Code, the Composite Document is required to be posted by or on behalf of Ace Source within 21 days of the date of this joint announcement. However, as there are pre-conditions to the making of the Offer, application will be made by Ace Source for the Executive's consent under Note 2 to Rule 8.2 of the Takeovers Code to extend the deadline for the despatch of the Composite Document to within seven (7) days of the fulfilment of the pre-conditions (i.e. Share Transfer Completion and Subscription Completion).

Securities in the Company

As at the date of this joint announcement, the Company has a total of 1,260,000,000 Shares in issue. Save as aforesaid, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date of this joint announcement.

Dealings disclosure

The associates (as defined in the Takeovers Code) of the Company and Ace Source (including their respective shareholders having interests of more than 5% of the relevant securities) are reminded to disclose their dealings in the relevant securities in the Company (as defined in Note 4 to Rule 22 of the Takeovers Code) under Rule 22 of 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 (as defined in the Takeovers Code) of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates (as defined in the Takeovers Code) 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.”

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 30 June 2021 pending the release of this joint announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 7 July 2021.

AS THE OFFER WILL ONLY BE MADE AFTER COMPLETION, THE OFFER MAY OR MAY NOT PROCEED AND IS THEREFORE A POSSIBILITY ONLY. INVESTORS AND SHAREHOLDERS ARE URGED TO EXERCISE CAUTION WHEN DEALING IN THE SHARES.

I. DEFINITIONS

Unless the context requires otherwise, the following expressions shall have the following meanings in this joint announcement:

“Ace Source”	Ace Source Holdings Limited (佳源控股有限公司), a company incorporated in the BVI with limited liability
“acting in concert”	having the meaning ascribed to it under the Takeovers Code
“Agreements”	the Share Purchase Agreement and the Subscription Agreement
“associate(s)”	having the meaning ascribed to it under the Takeovers Code
“Board”	the board of Directors
“Business Day”	means any day (excluding a Saturday, Sunday, public holiday in Hong Kong and any day on which a tropical cyclone warning signal no. 8 or above or a “black” rainstorm warning signal is hoisted or remains hoisted in Hong Kong at an time between 9 a.m. to 5 p.m.) on which banks are generally open for business in Hong Kong
“BVI”	the British Virgin Islands
“China Wantian”	China Wantian International Group Limited, a company incorporated in Hong Kong with limited liability and the controlling shareholder of Ace Source
“Circular”	a circular of the Company in relation to, inter alia, the Subscription Agreement and transactions contemplated thereunder to be despatched to the Shareholders

“Company”	Goal Forward Holdings Limited (展程控股有限公司), a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1854)
“Completion”	Share Transfer Completion and Subscription Completion
“Completion Balance Sheet”	the consolidated balance sheet of the Company as at the end of the calendar month in which Share Transfer Completion takes place
“Composite Document”	the proposed composite offer and response document to be issued jointly by Ace Source and the Company to the Shareholders in accordance with the Takeovers Code in relation to the Offer
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company from time to time
“EGM”	the extraordinary general meeting of the Company to be held to consider and, if thought fit, approve the resolution(s) in respect of the Subscription Agreement and the transactions contemplated thereunder
“Executive”	the Executive Director of the Corporate Finance Division of the SFC and any delegate of the Executive Director
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hooy Investment”	Hooy Investment Limited, a company incorporated in the BVI with limited liability
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Board Committee”	an independent committee of the Board established which comprises all independent non-executive Directors, namely Ms. Li On Lei, Mr. Ng Ki Man and Mr. Lo Siu Kit for the purpose of advising the Independent Shareholders in respect of the Subscription, and will include a non-executive Director, Mr. Wong Chung Yeung, for the purpose of advising the Independent Shareholders in respect of the Offer

“Independent Financial Adviser”	Opus Capital Limited, a licensed corporation under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities, being the independent financial adviser appointed for the purpose of advising the Independent Board Committee and the Independent Shareholders (if applicable) in relation to the Subscription Agreement and transactions contemplated thereunder, and the Offer
“Independent Shareholder(s)”	Shareholder(s) other than Ace Source and parties acting in concert with it (including the Vendor)
“Last Trading Day”	29 June 2021, being the last day on which the Shares were traded on the Stock Exchange prior to the suspension of trading in the Shares pending the release of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 October 2021 or such later date as may be agreed by Ace Source and the Vendor in writing, pursuant to the Share Purchase Agreement; and Ace Source and the Company in writing, pursuant to the Subscription Agreement
“Mr. Hooy”	Mr. Hooy Kok Wai, the director and controlling shareholder of Ace Source
“Mr. Liu”	Mr. Liu Chi Ching, the sole director and the sole shareholder of the Vendor, and the Chairman and executive Director
“Offer”	the unconditional mandatory cash offer to be made by Somerley for and on behalf of Ace Source to acquire all the Offer Shares, on the terms and conditions to be set out in the Composite Document and in compliance with the Takeovers Code, following the Completion
“Offer Share(s)”	all the Share(s) in issue, other than those Shares already owned or agreed to be acquired by Ace Source and parties acting in concert with it

“Overseas Shareholder(s)”	Shareholder(s) whose addresses, as shown on the register of members of the Company, are outside Hong Kong
“PRC”	People’s Republic of China which for the purpose of this joint announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Sale Share(s)”	an aggregate of 520,000,000 Shares conditionally agreed to be sold by the Vendor and conditionally agreed to be acquired by Ace Source pursuant to the terms of the Share Purchase Agreement, representing (i) approximately 41.27% of the issued share capital of the Company as at the date of this joint announcement and (ii) approximately 34.39% of the issued share capital of the Company as enlarged by allotment and issue of the Subscription Shares
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Share Purchase Agreement”	the share purchase agreement dated 29 June 2021 entered into between the Vendor and Ace Source in respect of the Share Transfer
“Share Transfer”	the acquisition by Ace Source of the Sale Shares pursuant to the Share Purchase Agreement
“Share Transfer Completion”	completion of the Share Transfer pursuant to the terms of the Share Purchase Agreement
“Share Transfer Completion Date”	the date of the Share Transfer Completion
“Somerley”	Somerley Capital Limited, a licensed corporation under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities and the financial adviser to Ace Source

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription by Ace Source of the Subscription Shares pursuant to the Subscription Agreement
“Subscription Agreement”	the agreement dated 29 June 2021 entered into between Ace Source and the Company in respect of the Subscription
“Subscription Completion”	completion of the Subscription Agreement
“Subscription Completion Date”	the date of the Subscription Completion
“Subscription Share(s)”	an aggregate of 252,000,000 new Shares to be subscribed by Ace Source under the Subscription Agreement
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“US\$”	United States dollars, the lawful currency of United States of America
“Vendor”	Classic Line Holdings Limited, a company incorporated under the laws of the BVI with limited liability and which is beneficially wholly-owned by Mr. Liu
“Yap Global”	Yap Global Investment Limited, a company incorporated in the BVI with limited liability
“%”	per cent.

By Order of the board of
ACE SOURCE HOLDINGS LIMITED
Lau Yau Chuen Louis
Director

By Order of the board of
GOAL FORWARD HOLDINGS LIMITED
Liu Chi Ching
Chairman and Executive Director

Hong Kong, 6 July 2021

As at the date of this joint announcement, the Board comprises Mr. Liu Chi Ching and Ms. Wu Shuk Kwan as executive Directors; Mr. Wong Chung Yeung as non-executive Director and Ms. Li On Lei, Mr. Ng Ki Man and Mr. Lo Siu Kit as independent non-executive Directors.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to Ace Source and parties acting in concert with it (excluding the Vendor)) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, Messrs. Hooy Kok Wai, Zhong Xueyong and Lau Yau Chuen Louis are the directors of Ace Source.

The directors of Ace Source jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Company, the Vendor, their respective associates and parties acting in concert with each of the Company and the Vendor (which, for the avoidance of doubt, do not include Ace Source)) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

The English text of this joint announcement shall prevail over its Chinese text.