

# Fraser Holdings Limited

(Incorporated in the Cayman Islands with limited liability)  
(Stock Code: 8366)

*Executive Directors:*

Mr. Yu Shek Man Ringo  
(Chairman and Chief executive officer)  
Ms. Wong So Wah

*Registered Office:*

Clifton House  
75 Fort Street  
PO Box 1350  
Grand Cayman KY1-1108  
Cayman Islands

*Non-executive Director:*

Mr. Cheung Kin Keung Martin

*Independent non-executive Directors:*

Mr. Law Yiu Sing  
Mr. Wong Kwok Chuen  
Mr. Wong Law Fai

1 June 2017

*To the Shareholders*

Dear Sir or Madam,

**UNCONDITIONAL MANDATORY CASH OFFER BY  
EMPEROR CAPITAL LIMITED  
ON BEHALF OF THE 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)**

## 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.

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).

Further details of the Share Offer, including the terms and the procedures of acceptances of the Share Offer are set out in the “Letter from Emperor Capital” and Appendix I to this Composite Document of which this letter forms part, and in the accompanying Form of Acceptance. The purpose of this Composite Document is to provide you with, among other things, information relating to the Company and the Share Offer, the recommendation of the Independent Board Committee to the Independent Shareholders and the “Letter from the Independent Financial Adviser” to the Independent Board Committee in relation to the Share Offer.

## **THE SHARE OFFER**

As at the Latest Practicable Date, there were 1,440,000,000 Shares in issue. The Company has no outstanding options, derivatives, warrants or securities which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of any options, warrants or securities convertible or exchangeable into Shares.

The Offer Price of HK\$0.25 per Offer Share is the same as the price per Acquired Shares paid by the Offeror to National Honour under the SPA. As stated in the “Letter from Emperor Capital”, as the Offeror holds 1,080,000,000 Shares as at the Latest Practicable Date, 360,000,000 Shares are subject to the Share Offer and the total consideration of the Share Offer would be HK\$90,000,000 based on the Offer Price.

### **Principal Terms of the Share Offer**

As disclosed in the “Letter from Emperor Capital”, Emperor Capital, for and on behalf of the Offeror, is making the Share Offer on the terms set out in this Composite Document in accordance with Rule 26.1 of the Takeovers Code on the following basis:

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

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

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. Acceptance of the Share Offer by any Shareholder will be deemed to constitute a warranty by such person that all Shares sold by such person under the Share Offer are 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 all dividends and other distributions, if any, declared, paid or made on or after the date of despatch of this Composite Document. Acceptances of the Share Offer shall be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code.

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

## INFORMATION ON THE COMPANY

The Company was incorporated in the Cayman Islands with limited liability and its Shares are listed on the GEM since 2 November 2015. The Company is an investment holding company and its subsidiaries are principally engaged in undertaking slope works, foundation works and other general building works for improving or maintaining the stability of slopes and/or retaining walls in Hong Kong.

The following table is a summary of certain audited financial information of the Group for the two financial years ended 30 April 2015 and 30 April 2016 respectively:

	Year ended 30 April	
	2016	2015
	HK\$'000	HK\$'000
Revenue	180,602	157,346
Gross profit	18,053	20,766
Profit before income taxation	9,473	14,601
Profit and total comprehensive income for the year	7,190	11,431
Net assets	79,129	43,082

## SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (a) immediately before Completion and (b) immediately after Completion and as at the Latest Practicable Date:

	Immediately before Completion		Immediately after Completion and as at the Latest Practicable Date	
	Number of Shares	%	Number of Shares	%
The National Honour ( <i>Note</i> )	1,080,000,000	75	—	—
The Offeror	—	—	1,080,000,000	75
Public Shareholders	<u>360,000,000</u>	<u>25</u>	<u>360,000,000</u>	<u>25</u>
Total	<u>1,440,000,000</u>	<u>100</u>	<u>1,440,000,000</u>	<u>100</u>

*Note:* National Honour is owned as to 90% by Mr. Yu and 10% by Ms. Wong. Mr. Yu is the spouse of Ms. Wong. By virtue of the SFO, they are deemed to be interested in the shares held by National Honour.

## **INTENTIONS OF THE OFFEROR IN RELATION TO THE COMPANY**

Your attention is drawn to the sections headed “(IV) Information on the Offeror” and “(VI) Intentions of the Offeror” in the “Letter from Emperor Capital” as set out in this Composite Document. The Board is aware of the intentions of the Offeror in respect of the Company and is willing to render reasonable co-operation with the Offeror which is in the interests of the Company and the Shareholders as a whole.

As at the Latest Practicable Date, the Company has no agreement, arrangement, understanding, intention or negotiation (concluded or otherwise) with the Offeror about any disposal/termination/scaling-down of the current business of the Group.

## **MAINTAINING THE 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.

In the event that after the completion of the Share Offer, the public float of the Company falls below 25%, the directors of the Company at the relevant time and of the Offeror will take appropriate steps to restore the minimum public float as required under the GEM Listing Rules as soon as possible following the close of the Share Offer to ensure that sufficient public float exists for the Shares. As at the Latest Practicable Date, no such measure has been in place.

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, the Stock Exchange may exercise its discretion to suspend trading in the Shares. In this connection, it should be noted that upon the close of the Share Offer, there may be insufficient public float for the Shares, and there is a possibility for trading in the Shares be suspended until sufficient level of public float is attained.


## **RECOMMENDATION**

The Independent Board Committee has been established to make recommendations to the Independent Shareholders as to whether the Share Offer is fair and reasonable and as to acceptance of the Share Offer. Your attention is drawn to the “Letter from the Independent Board Committee” and the “Letter from the Independent Financial Adviser” as set out in this Composite Document containing their advice and recommendation to the Independent Shareholders and the Independent Board Committee respectively in respect of the Share Offer.

## **ADDITIONAL INFORMATION**

Your attention is drawn to the additional information contained in the appendices to this Composite Document. You are also recommended to read carefully Appendix I to this Composite Document and the accompanying Form of Acceptance for further details in respect of the procedures for acceptance of the Share Offer.

Yours faithfully,  
On behalf of the Board  
**Fraser Holdings Limited**



**Yu Shek Man Ringo**  
*Executive Director*