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# 周大福創建有限公司 CTF Services Limited

(incorporated in Bermuda with limited liability)  
(stock code: 00659)

## CONNECTED TRANSACTION

### ACQUISITIONS OF EQUITY INTERESTS IN (1) USMART INLET GROUP LTD AND (2) GENIUS PROFESSIONAL ENTERPRISES LIMITED

#### THE ACQUISITIONS

The Board is pleased to announce that on 18 March 2025 (after trading hours) (i) the Purchaser (an indirect wholly-owned subsidiary of the Company) entered into the SPA (Genius) with Genius and Mr. Yuk, pursuant to which, Genius conditionally agreed to sell and the Purchaser conditionally agreed to purchase certain shares in the Target Company, and Mr. Yuk conditionally agreed to sell and the Purchaser conditionally agreed to purchase the Genius Share on the terms and conditions set out in the SPA (Genius), at the Consideration (Genius); and (ii) the Purchaser entered into the SPA (ex-Genius) with Country Magic, Sinowise and Mr. Chau, as vendors, and Mr. Xu and Mr. Kwok, as guarantors, pursuant to which, Mr. Chau, Sinowise and Country Magic conditionally agreed to sell and the Purchaser conditionally agreed to purchase certain shares in the Target Company on the terms and conditions set out in the SPA (ex-Genius) at the Consideration (ex-Genius).

The aggregate Consideration payable by the Purchaser for the Acquisitions shall be US\$131,783,592 (equivalent to approximately HK\$1,025 million), which shall be funded by internal resources of the Group.

#### LISTING RULES IMPLICATIONS

As at the date of this announcement, CTFH indirectly holds (through its subsidiaries) an aggregate of approximately 10.85% in the Target Company and is thus a substantial shareholder of the Target Company. As at the date of this announcement, CTFH indirectly holds (through its subsidiaries) an aggregate of approximately 76.12% of all issued share capital of the Company. Therefore, CTFH is a controller of the Company within the meaning of the Listing Rules. Accordingly, the Acquisitions constitute connected transactions under Rule 14A.28(1) of the Listing Rules.

Since the Acquisitions involve, among other things, the acquisitions of equity interests of the Target Company and have been entered into within a 12-month period, the Acquisition (Genius) and the Acquisition (ex-Genius) shall be aggregated under Rule 14A.81 of the Listing Rules as if they were one transaction.

As certain applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisitions are more than 0.1% but less than 5%, the Acquisitions are subject to the notification and announcement requirements, but exempt from the circular and shareholders' approval requirements, under Chapter 14A of the Listing Rules.

**As the completion of the Acquisitions is subject to the satisfaction or waiver (as applicable) of certain conditions precedent stated in the SPA (Genius) and the SPA (ex-Genius) respectively, the Acquisitions may or may not proceed. Accordingly, shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.**

## THE ACQUISITIONS

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The aggregate Consideration payable by the Purchaser for the Acquisitions shall be US\$131,783,592 (equivalent to approximately HK\$1,025 million), which shall be funded by internal resources of the Group.

The completion of the Acquisitions shall take place in two stages, namely, Stage 1 and Stage 2, as follows:

	Agreement to which the acquisition relates	Number of shares in the Target Company to be acquired by the Purchaser	% of the issued share capital of the Target Company
<b>Stage 1</b>			
Shares in the Target Company held by Genius	SPA (Genius)	567,139,590	10.37%
Shares in the Target Company held by Mr. Chau	SPA (ex-Genius)	36,230,360	0.66%
Shares in the Target Company held by Country Magic	SPA (ex-Genius)	26,406,929	0.48%
Shares in the Target Company held by Sinowise	SPA (ex-Genius)	84,069,274	1.54%
Sub-total in Stage 1		713,846,153	13.05%
<b>Stage 2</b>			
Genius Share	SPA (Genius)	1,341,920,239 <i>(Note 1)</i>	24.53%
Shares in the Target Company held by Mr. Chau	SPA (ex-Genius)	85,725,375	1.57%
Shares in the Target Company held by Country Magic	SPA (ex-Genius)	62,481,960	1.15%
Shares in the Target Company held by Sinowise	SPA (ex-Genius)	198,917,977	3.63%
Sub-total in Stage 2		1,689,045,551	30.88%
Total		2,402,891,704	43.93%

*Notes:*

1. These shares in the Target Company will be indirectly held by the Purchaser through the acquisition of the Genius Share.
2. Total number of issued shares of the Target Company: 5,470,085,469 shares.

Immediately upon completion of Stage 2 (Completion), the Purchaser will directly and indirectly hold an aggregate of 2,402,891,704 shares in the Target Company (taken into account the shares in the Target Company held by Genius), representing approximately 43.93% of the issued share capital of the Target Company.

## MAJOR TERMS OF THE SPA (GENIUS)

### Date

18 March 2025

## **Parties**

- (1) Genius (as vendor)
- (2) Mr. Yuk (as vendor and guarantor)
- (3) The Purchaser

## **Interests to be acquired**

- (i) Stage 1 – 567,139,590 Stage 1 Sale Shares (Genius) held by Genius (representing approximately 10.37% of the Target Company's issued share capital as at the date of this announcement)
- (ii) Stage 2 – Stage 2 Sale Share (Genius), i.e. the Genius Share

Subject to the terms and conditions of the SPA (Genius), the Stage 1 Sale Shares (Genius) and the Stage 2 Sale Share (Genius) shall be acquired by the Purchaser free from all encumbrances and together with all rights attached and accrued to them.

## **Consideration and payment terms**

The Stage 1 Consideration (Genius) payable by the Purchaser for the purchase of the Stage 1 Sale Shares (Genius) shall be US\$31,104,062. The Stage 1 Payment (Genius) payable at the Stage 1 Completion Date (Genius) (as defined below) shall be US\$79,448,433, which comprises (i) the Stage 1 Consideration (Genius) and (ii) the Exceeding Amount (Genius).

The Stage 1 Payment (Genius) (minus the W&I Insurance Policy Expense payable as mentioned below and the costs and expenses incurred in connection with the Acquisitions by the Purchaser and as mutually agreed to be borne by Genius and Mr. Yuk) shall be payable at the Stage 1 Completion Date (Genius) (as defined below) by the Purchaser (or its nominee) to the bank account(s) nominated by Genius and Mr. Yuk pursuant to the SPA (Genius) or by other methods as mutually agreed between the Purchaser and Genius. It is agreed that the sum equivalent to the W&I Insurance Policy Expense shall be deducted from the Stage 1 Payment (Genius) payable by the Purchaser and that the Purchaser shall arrange direct payment of the W&I Insurance Policy Expense to the W&I Insurer in accordance with the W&I Insurance Policy and, within 30 days of the Stage 1 Completion (Genius), provide documentary evidence of such payment to Genius.

Pursuant to the SPA (Genius), Genius undertakes, and Mr. Yuk undertakes to procure Genius, that, upon receipt of the Stage 1 Payment (Genius), Genius shall immediately pay to its creditor the Repayment Sum, thereby repaying the sum(s) owed by Genius to the creditor. Within 7 Business Days of the Stage 1 Completion (Genius), Genius shall deliver to the Purchaser (a) electronic deposit of funds representing payment of the Repayment Sum into the bank account provided by the creditor; and (b) an irrevocable confirmation duly executed by its creditor confirming the receipt of the Repayment Sum and waiver of its rights to claim any further amount on all and any loan or sum owed by Genius.

For the purpose of securing the completion of the Acquisition (Genius), the Stage 1 Payment (Genius) includes the Exceeding Amount (Genius) which will be secured by the Genius Share Charge and the uSmart Share Charge.

The Stage 2 Consideration (Genius) payable by the Purchaser for the purchase of the Stage 2 Sale Share (Genius) shall be US\$73,595,938. The Stage 2 Payment (Genius) payable at the Stage 2 Completion Date (Genius) (as defined below) shall be US\$25,251,567, which represents the Stage 2 Consideration (Genius) net of the Exceeding Amount (Genius).

The Stage 2 Payment (Genius) (subject to the Purchaser's right to set off the Leakage amount payable by Mr. Yuk and the dispute resolution mechanism of the adjustment of the Leakage amount pursuant to the SPA (Genius)) shall be payable at the Stage 2 Completion Date (Genius) (as defined below) by the Purchaser (or its nominee) to the bank account(s) nominated by Mr. Yuk pursuant to the SPA (Genius) or by other methods as mutually agreed between the Purchaser and Mr. Yuk.

### **Key Conditions Precedent**

The obligations of the relevant parties to effect the Stage 1 Completion (Genius) shall be conditional upon the Stage 1 Conditions Precedent (Genius) which include:

- (a) all requisite regulatory filings, notifications, consents, no-objection statements, authorisations, approvals or waivers in connection with the transfer of the Stage 1 Sale Shares (Genius) having been duly made or obtained, or the relevant clearance or non-objection period has expired and no objection has been raised (as applicable) (including but not limited to approval by MAS);
- (b) satisfactory due diligence results on the Target Group;
- (c) satisfactory due diligence results on Genius;
- (d) none of the creditors of Genius and/or Mr. Yuk taking any actions against Genius and/or Mr. Yuk under the existing financing documents entered into by Genius and/or Mr. Yuk, which in the view of the Purchaser at its sole discretion, may prejudice the transactions contemplated in the SPA (Genius);
- (e) Genius to provide an irrevocable undertaking to maintain the existing chairman of the board of the Target Company and assign a person nominated by the Purchaser as a director of the Target Group prior to Stage 2 Completion (Genius);
- (f) the warranties given by Genius and Mr. Yuk remaining accurate, true and not misleading in all respects up to the Stage 1 Completion Date (Genius) (as defined below); and
- (g) no breach of undertaking and/or any other terms of the transaction documents referred to or contemplated under the SPA (Genius) and entered into on the part of Mr. Yuk and/or Genius.

In connection with the satisfaction of the Stage 1 Conditions Precedent (Genius), Mr. Yuk and Genius shall promptly procure the Target Group to provide or submit such information as may be requested by any Government Agency (including but not limited to MAS) and cooperate with the Purchaser and any Government Agency (including but not limited to MAS) for the purpose of achieving the satisfaction of the Stage 1 Conditions Precedent (Genius) set out in paragraph (a) above.

If any of the Stage 1 Conditions Precedent (Genius) is not fulfilled or waived on or before the Long Stop Date or such later date and time as the relevant parties may agree, the SPA (Genius) shall lapse and become null and void and the parties shall be released from all obligations hereunder, save for liabilities for any antecedent breaches thereof. The right to waive partially or fully any Stage 1 Conditions Precedent (Genius) shall be at the full discretion of the Purchaser.

The obligations of the relevant parties to effect the Stage 2 Completion (Genius) shall be conditional upon the Stage 2 Conditions Precedent (Genius) which include:

- (a) completion of the sale and purchase of the Stage 1 Sale Shares (Genius) pursuant to the terms of the SPA (Genius);
- (b) all requisite regulatory filings, notifications, consents, no-objection statements, authorisations, approvals or waivers in connection with the transfer of the Stage 2 Sale Share (Genius) having been duly made or obtained, or the relevant clearance or non-objection period has expired and no objection has been raised (as applicable) (including but not limited to approval by the SFC and FINRA);
- (c) satisfactory due diligence results on Genius;
- (d) satisfactory due diligence results on the Target Group;
- (e) the warranties given by Mr. Yuk and Genius remaining accurate, true and not misleading in all respects up to the Stage 2 Completion Date (Genius) (as defined below);
- (f) no breach of the Genius Share Charge and the uSmart Share Charge on the part of Genius and/or Mr. Yuk; and
- (g) no breach of undertaking and/or any other terms of the transaction documents referred to or contemplated under the SPA (Genius) and entered into on the part of Mr. Yuk and/or Genius.

In connection with the satisfaction of the Stage 2 Conditions Precedent (Genius), Mr. Yuk and Genius shall promptly procure the Target Group to provide or submit such information as may be requested by any Government Agency (including but not limited to the SFC and FINRA) and cooperate with the Purchaser and any Government Agency (including but not limited to the SFC and FINRA) for the purpose of achieving the satisfaction of the Stage 2 Conditions Precedent (Genius) set out in paragraph (b) above.

If any of the Stage 2 Conditions Precedent (Genius) is not fulfilled or waived (as the case may be) on or before the Long Stop Date or such later date and time as the parties may agree, the parties shall first use their best endeavours to mutually agree in writing on an extension of such date. If the parties fail to reach mutual agreement on such extension, the SPA (Genius) shall lapse and become null and void and the parties shall be released from all obligations thereunder, save for liabilities for any antecedent breaches thereof or any matters in connection with the Stage 1 Completion (Genius). In such event, Genius and Mr. Yuk shall on demand by the Purchaser as soon as possible and in any event within 14 days jointly and severally return to the Purchaser the Exceeding Amount (Genius), failure of which the Purchaser shall be entitled to a default interest of 10% per annum on the outstanding payment accruing until the actual date of repayment. Upon receipt of the full payment by the Purchaser, the Genius Share Charge and uSmart Share Charge shall be released by the Purchaser.

Subject to the aforesaid, upon the Genius Share Charge and uSmart Share Charge becoming enforceable prior to Stage 2 Completion (Genius), the Purchaser shall be entitled to enforce the Genius Share Charge and uSmart Share Charge, to the extent that the Purchaser will not exercise its rights under such share charges in a manner that would result in it, together with its associates, being required to apply for approval on change of control to the relevant regulatory authorities.

The right to waive partially or fully any Stage 2 Conditions Precedent (Genius) shall be at the full discretion of the Purchaser.

## **Guarantee**

Mr. Yuk, as guarantor, unconditionally and irrevocably guarantees to the Purchaser the due performance, payment and observation of all the obligations, covenants and agreements of Genius contained under the SPA (Genius) and the other transaction documents referred to or contemplated under the SPA (Genius) (the “**Genius Obligations**”), and in the event of any failure of Genius, to perform any of such Genius Obligations, Mr. Yuk covenants to assume and perform or cause to be performed all of such Genius Obligations.

## **Completion**

The Stage 1 Completion (Genius) shall take place within 7 Business Days from the satisfaction or waiver of all the Stage 1 Conditions Precedent (Genius) (the “**Stage 1 Completion Date (Genius)**”).

After Stage 1 Completion (Genius), it is agreed that, if any Stage 2 Conditions Precedent (Genius) is not fulfilled, the irrevocable undertaking provided by Genius as one of the Stage 1 Conditions Precedent (Genius) to maintain the existing chairman of the board of the Target Company and assign a person nominated by the Purchaser as a director of the Target Company prior to Stage 2 Completion (Genius) shall remain in effect and shall not be revoked.

The Stage 2 Completion (Genius) shall take place within 7 Business Days from the satisfaction or waiver of all the Stage 2 Conditions Precedent (Genius) (the “**Stage 2 Completion Date (Genius)**”).



## **Shareholders' Deed and Board Seat**

Pursuant to the Shareholders' Deed, the parties thereto agree, among other things, that:

- (i) Genius shall be entitled to designate, appoint, remove, replace and reappoint up to two (among a total of five) directors on the board of the Target Company.
- (ii) A meeting of the board of the Target Company shall only proceed where there are present a majority of all directors then in office, provided that such majority includes a director appointed by Genius and the director jointly appointed by HTL Limited and uSmart Partners Limited (each a "**Management Party**"). Please refer to "Information of the Target Group" for details of HTL Limited and uSmart Partners Limited.
- (iii) Subject to contrary provisions in the Shareholders' Deed, the adoption of any resolutions of the directors of the Target Company shall require the affirmative vote of a simple majority of the directors present at a meeting of the board of the Target Company duly convened, provided that such majority includes a director appointed by Genius.
- (iv) Prior to the completion of a registered public offering of the shares of the Target Company in the U.S. and/or Hong Kong underwritten by a firm commitment and/or a similar public offering in a jurisdiction and on a recognised securities exchange as approved by the board of the Target Company, neither Management Party nor Mr. Hong (as defined below) shall transfer all or any part of its/his interest in the shares of the Target Company, without the prior written consent of Genius.
- (v) With respect to a proposed transfer of shares of the Target Company by certain shareholders of the Target Company as specified in the Shareholders' Deed, Genius shall have the first right of first refusal to elect to purchase on the same terms all of such shares proposed to be transferred, before the other shareholders may exercise its second right of first refusal.

## **MAJOR TERMS OF THE SPA (EX-GENIUS)**

### **Date**

18 March 2025

### **Parties**

- (1) Mr. Chau (as vendor)
- (2) Country Magic (as vendor)
- (3) Sinowise (as vendor)
- (4) Mr. Xu (as guarantor)
- (5) Mr. Kwok (as guarantor)
- (6) The Purchaser



## **Interests to be acquired**

- (i) 282,987,251 shares in the Target Company held by Sinowise (representing approximately 5.17% of the Target Company's issued share capital as of the date of this announcement), comprising 84,069,274 shares in the Target Company, being its respective Stage 1 Sale Shares (ex-Genius) and 198,917,977 shares in the Target Company, being its respective Stage 2 Sale Shares (ex-Genius)
- (ii) 88,888,889 shares in the Target Company held by Country Magic (representing approximately 1.63% of the Target Company's issued share capital as of the date of this announcement), comprising 26,406,929 shares in the Target Company, being its respective Stage 1 Sale Shares (ex-Genius) and 62,481,960 shares in the Target Company, being its respective Stage 2 Sale Shares (ex-Genius)
- (iii) 121,955,735 shares in the Target Company held by Mr. Chau (representing approximately 2.23% of the Target Company's issued share capital as of the date of this announcement), comprising 36,230,360 shares in the Target Company, being its respective Stage 1 Sale Shares (ex-Genius) and 85,725,375 shares in the Target Company, being its respective Stage 2 Sale Shares (ex-Genius)

Subject to the terms and conditions of the SPA (ex-Genius), the Stage 1 Sale Shares (ex-Genius) and the Stage 2 Sale Shares (ex-Genius) shall be acquired by the Purchaser free from encumbrances in all forms and together with all rights attached and accrued to them.

## **Consideration and payment terms**

The Stage 1 Consideration (ex-Genius) payable by the Purchaser for the purchase of the Stage 1 Sale Shares (ex-Genius) in aggregate shall be US\$8,045,938. The Stage 1 Payment (ex-Genius) payable at the Stage 1 Completion Date (ex-Genius) (as defined below) shall be US\$20,551,567, which comprises (i) the Stage 1 Consideration (ex-Genius) and (ii) the Exceeding Amount (ex-Genius).

The Stage 1 Payment (ex-Genius) shall be payable at Stage 1 Completion Date (ex-Genius) (as defined below) by the Purchaser (or its nominee) to the respective bank accounts of Mr. Chau, Sinowise and Country Magic to be provided pursuant to the SPA (ex-Genius) or by other methods as mutually agreed between the Purchaser on one hand and Mr. Chau or Sinowise or Country Magic on the other.

For the purpose of securing the completion of the Acquisition (ex-Genius), the Stage 1 Payment (ex-Genius) includes the Exceeding Amount (ex-Genius) which will be secured by the Share Charge (Mr. Chau), the Share Charge (Sinowise) and the Share Charge (Country Magic) in their respective proportions.

The Stage 2 Consideration (ex-Genius) payable by the Purchaser for the purchase of the Stage 2 Sale Shares (ex-Genius) in aggregate shall be US\$19,037,654. The Stage 2 Payment (ex-Genius) payable at the Stage 2 Completion Date (ex-Genius) (as defined below) shall be US\$6,532,025, which represents the Stage 2 Consideration (ex-Genius) net of the Exceeding Amount (ex-Genius).

The Stage 2 Payment (ex-Genius) shall be payable at Stage 2 Completion Date (ex-Genius) (as defined below) by the Purchaser (or its nominee) to the respective bank accounts of Mr. Chau, Sinowise and Country Magic to be provided pursuant to the SPA (ex-Genius) or by other methods as mutually agreed between the Purchaser on one hand and Mr. Chau or Sinowise or Country Magic on the other.

### **Key Conditions Precedent**

The obligations of the relevant parties to effect the Stage 1 Completion (ex-Genius) shall be conditional upon the Stage 1 Conditions Precedent (ex-Genius) which include:

- (a) all requisite regulatory filings, notifications, consents, no-objection statements, authorisations, approvals or waivers in connection with the transfer of the Stage 1 Sale Shares (ex-Genius) having been duly made or obtained, or the relevant clearance or non-objection period has expired and no objection has been raised (as applicable) (including but not limited to approval by MAS);
- (b) satisfactory due diligence results on the Target Group;
- (c) satisfaction of all “Stage 1 Conditions Precedent” under the SPA (Genius) (as defined thereunder);
- (d) the warranties given by the Vendors (ex-Genius) and the Guarantors remaining accurate, true and not misleading in all respects up to the Stage 1 Completion Date (ex-Genius) (as defined below); and
- (e) no breach of any undertakings and/or other terms of the transaction documents referred to or contemplated under the SPA (ex-Genius) and entered into on the part of Mr. Chau, Mr. Xu, Sinowise, Mr. Kwok and/or Country Magic.

In connection with the satisfaction of the Stage 1 Conditions Precedent (ex-Genius), each of Mr. Chau, Sinowise and Country Magic shall promptly procure the Target Group to provide or submit such information as may be requested by any Government Agency (including but not limited to MAS) and cooperate with the Purchaser and any Government Agency (including but not limited to MAS) for the purpose of achieving the satisfaction of the Stage 1 Conditions Precedent (ex-Genius) set out in paragraph (a) above. Each of Mr. Xu and Mr. Kwok undertakes to ensure Sinowise and Country Magic to respectively comply with the above obligations.

If any of the Stage 1 Conditions Precedent (ex-Genius) is not fulfilled or waived on or before the Long Stop Date or such later date and time as the relevant parties may agree, the SPA (ex-Genius) shall lapse and become null and void and the parties shall be released from all obligations thereunder, save for liabilities for any antecedent breaches thereof. The right to waive partially or fully any Stage 1 Conditions Precedent (ex-Genius) shall be at the full discretion of the Purchaser.

The obligations of the relevant parties to effect the Stage 2 Completion (ex-Genius) shall be conditional upon the Stage 2 Conditions Precedent (ex-Genius) which include:

- (a) completion of the sale and purchase of the Stage 1 Sale Shares (ex-Genius) pursuant to the terms of the SPA (ex-Genius);
- (b) all requisite regulatory filings, notifications, consents, no-objection statements, authorisations, approvals or waivers in connection with the transfer of the Stage 2 Sale Shares (ex-Genius) having been duly made or obtained, or the relevant clearance or non-objection period has expired and no objection has been raised (as applicable) (including but not limited to approval by the SFC and FINRA);
- (c) satisfactory due diligence results on the Target Group;
- (d) satisfaction of all “Stage 2 Conditions Precedent” under the SPA (Genius) (as defined thereunder);
- (e) no breach of the Share Charge (Mr. Chau), the Share Charge (Sinowise) and the Share Charge (Country Magic) on the parts of Mr. Chau, Sinowise and/or Country Magic;
- (f) the warranties given by the Vendors (ex-Genius) and the Guarantors remaining accurate, true and not misleading in all respects up to the Stage 2 Completion Date (ex-Genius) (as defined below); and
- (g) no breach of any undertakings and/or other terms of the transaction documents referred to or contemplated under the SPA (ex-Genius) and entered into on the part of Mr. Chau, Mr. Xu, Sinowise, Mr. Kwok and/or Country Magic.

In connection with the satisfaction of the Stage 2 Conditions Precedent (ex-Genius), each of Mr. Chau, Sinowise and Country Magic shall promptly procure the Target Group to provide or submit such information as may be requested by any Government Agency (including but not limited to SFC and FINRA) and cooperate with the Purchaser and any Government Agency (including but not limited to SFC and FINRA) for the purpose of achieving the satisfaction of the Stage 2 Conditions Precedent (ex-Genius) set out in paragraph (b) above. Each of Mr. Xu and Mr. Kwok undertakes to ensure Sinowise and Country Magic to respectively comply with the above obligations.

If any of the Stage 2 Conditions Precedent (ex-Genius) is not fulfilled or waived (as the case may be) on or before the Long Stop Date or such later date and time as the parties may agree, the parties shall first use their best endeavours to mutually agree in writing on an extension of such date. If the parties fail to reach mutual agreement on such extension, the SPA (ex-Genius) shall lapse and become null and void and the parties shall be released from all obligations thereunder, save for liabilities for any antecedent breaches thereof or any matters in connection with the Stage 1 Completion (ex-Genius). In such event, each relevant Vendor (ex-Genius) shall on demand by the Purchaser as soon as possible and in any event within 14 days severally return to the Purchaser its relevant proportionate share of the

Exceeding Amount (ex-Genius), failure of which the Purchaser shall be entitled to a default interest of 10% per annum on the outstanding payment accruing until the actual date of repayment. Upon receipt of the full proportionate payment from a particular Vendor (ex-Genius), respectively, the relevant share charges, being the Share Charge (Mr. Chau), the Share Charge (Sinowise) or the Share Charge (Country Magic) (as the case may be), shall be released by the Purchaser in respect of each Vendor (ex-Genius) accordingly.

Subject to the aforesaid, upon the Share Charge (Mr. Chau), the Share Charge (Sinowise) and the Share Charge (Country Magic) becoming enforceable prior to Stage 2 Completion (ex-Genius), the Purchaser shall be entitled to enforce the Share Charge (Mr. Chau), the Share Charge (Sinowise) and the Share Charge (Country Magic), to the extent that the Purchaser will not exercise its rights under such share charges in a manner that would result in it, together with its associates, being required to apply for approval on change of control to the relevant regulatory authorities.

The right to waive partially or fully any Stage 2 Conditions Precedent (ex-Genius) shall be at the full discretion of the Purchaser.

### **Guarantee**

Each of Mr. Xu and Mr. Kwok, as a guarantor, unconditionally and irrevocably guarantees to the Purchaser the due performance, payment and observation of all the obligations, covenants and agreements of Sinowise and Country Magic respectively contained under the SPA (ex-Genius) and the other transaction documents referred to or contemplated under the SPA (ex-Genius) (the “**ex-Genius Obligations**”), and in the event of any failure of Sinowise or Country Magic (as the case may be), to perform any of such ex-Genius Obligations, the Guarantors covenant to assume and perform or cause to be performed all of such ex-Genius Obligations respectively on the part of Sinowise or Country Magic (as the case may be).

### **Completion**

The Stage 1 Completion (ex-Genius) shall take place within 7 Business Days from the satisfaction or waiver of all the Stage 1 Conditions Precedent (ex-Genius) (the “**Stage 1 Completion Date (ex-Genius)**”).

The Stage 2 Completion (ex-Genius) shall take place within 7 Business Days from the satisfaction or waiver of all the Stage 2 Conditions Precedent (ex-Genius) (the “**Stage 2 Completion Date (ex-Genius)**”).

## **BASIS OF CONSIDERATION FOR THE ACQUISITIONS**

The Stage 1 Consideration (Genius) and the Stage 2 Consideration (Genius) under the SPA (Genius), and the Stage 1 Consideration (ex-Genius) and the Stage 2 Consideration (ex-Genius) under the SPA (ex-Genius) were determined after arm's length negotiations between the relevant parties on normal commercial terms, taking into account factors including but not limited to (i) historical financial performance of the Target Group; (ii) the future business prospects of the Target Group and the industry in which the Target Group is engaging; (iii) the appraised value of 100% equity interest in the Target Group on a controlling basis as of 28 February 2025 reasonably ranges from HK\$2,312 million to HK\$2,998 million by an independent valuer; and (iv) the reasons as set out in the section headed "Reasons for and Benefits of the Acquisitions" in this announcement. The factors are further elaborated below:

### **(i) Historical financial performance of the Target Group**

The Company has reviewed the financials of the Target Group for the four years ended 31 December 2024, and it has achieved significant growth. The revenue of the Target Group grew from HK\$68.7 million in 2022 to HK\$117.8 million in 2023, and further increased to HK\$199.6 million in 2024, representing approximately 70% growth in both 2023 and 2024, primarily driven by a substantial increase in the number of registered users, together with the rise in trading volume. The remarkable growth indicates the Target Group's strong capability and potential in the investment and wealth management services sector.

### **(ii) Future business prospects of the Target Group and industry in which the Target Group is engaging**

As financial markets evolve and the desire of global asset allocation of Mainland Chinese has been increasing post-COVID-19, brokerage firms and stock exchanges continue to innovate, leveraging technology to enhance trading platforms and expand their global reach in the dynamic landscape of investment and wealth management services.

The fintech software market is also experiencing significant growth, driven by the integration of modern technologies such as Artificial Intelligence (AI), Blockchain, and Cloud-based Solutions. The Acquisitions represent an important step for the Group in expanding the Group's footprint in the sectors of the securities brokerage and financial technology application, enabling the Group to better serve the expanding needs of customers.

### **(iii) Appraised value by independent valuer**

The total consideration for the Sale Shares payable to Genius, Mr. Yuk and the Vendors (ex-Genius) is US\$131,783,592 (equivalent to approximately HK\$1,025 million), which is within the range of the market value of 43.93% equity value interest of the Target Group as of 28 February 2025 as appraised by an independent valuer, Kroll (HK) Limited (the "Valuer"), adopting the market approach. The Valuer is a well-established valuation service provider in Hong Kong with

extensive experience in undertaking appraisals for companies in financial services industry. To the best knowledge, information and belief of the Board, the Valuer is a third party independent of the Company and its connected persons. As at the date of this announcement, the Valuer does not have any shareholding, directly or indirectly, in any member of the Company and Target Group or any right (whether legally enforceable or not) to subscribe for or to nominate person to subscribe for securities in any member of the Company and Target Group.

### ***The Valuation***

In preparing the valuation, the Valuer has considered three generally accepted approaches, namely, the market approach, the income approach and the cost approach. Cost approach and income approach have not been adopted for this valuation. According to the Valuer, cost approach is generally not considered applicable to the valuation of a going concern as it does not capture future earning potential of the business. Income approach is not selected as the principal method since the financial projections may involve high levels of uncertainty. The Valuer has therefore relied on the market approach as the principal method in determining their opinion of valuation of the Target Group.

Under the market approach, the Valuer has selected comparable companies engaging in the same or similar business as the Target Group, the shares of which are publicly traded. The equity value of the Target Group was determined by deriving the equity values from two core businesses: securities brokerage business and fintech business using two primary valuation methodologies: trailing sales multiples of listed comparable companies in Hong Kong, and trading sales multiples of public transactions of companies with similar business operations in Hong Kong. For securities brokerage business, the median of trailing sales (price-to-sales) multiple of listed comparable companies and trading sales multiple of public transactions of comparable companies are 9.8x and 14.3x respectively. For fintech business, the median of trailing sales multiple of listed comparable companies and trading sales multiple of public transactions of comparable companies are 1.4x and 7.7x respectively. These multiples have been adjusted to account for control premium and/or discount for lack of marketability. The range of value of the Target Group was then arrived at by applying the above multiples to the revenue of the securities brokerage business and fintech business for the year ended 31 December 2024, as appropriate.

Based on the above, the range of 43.93% equity value of the Target Group appraised by the Valuer is approximately HK\$1,015 million (equivalent to US\$130 million) to HK\$1,317 million (equivalent to US\$169 million). The Consideration of US\$131,783,592 is within the aforementioned range.

### ***General assumption:***

It is assumed that the data obtained in the course of the valuation, along with the opinions and representations provided to the independent valuer by the management of the Target Group, are true and accurate and are being accepted without independent verification.



The valuation was based on the following key assumptions:

1. There will be no major changes in the existing political, legal, regulatory environment, fiscal and economic conditions in countries in which the Target Group will carry on its business.
2. There will be no major changes in the current taxation law in countries in which the Target Group operates.
3. Future exchange rates and interest rates will not differ materially from those prevailing market expectations.
4. The availability of finance will not be a constraint on the future growth of the Target Group's operation.
5. The Target Group will retain and have competent management, key personnel and technical staff to support its ongoing operation.
6. Industry trends and market conditions for related industries will not deviate significantly from economic forecasts.

The Board has considered the aforementioned basis of consideration for the Acquisitions and is of the view that the Consideration in respect of the Acquisitions is fair and reasonable and in the interest of the Company and its shareholders as a whole.

## **FINANCIAL IMPACT OF THE ACQUISITIONS**

Upon the Stage 2 Completion (Genius) and Stage 2 Completion (ex-Genius), the Target Company will not become a subsidiary of the Company and the financial results of the Target Company will be accounted for by the equity method of accounting.

Upon Stage 2 Completion (Genius), Genius will become an indirect wholly-owned subsidiary of the Company and its results will be consolidated into the consolidated financial statements of the Group.

## **REASONS FOR AND BENEFITS OF THE ACQUISITIONS**

It is expected that the business of the Target Company would have synergy effect with that of Chow Tai Fook Life Insurance Company Limited, the life insurance arm of the Group in Hong Kong, which together will form core components of the CTFS Financial Services segment (“**CTFS FS**”) in the future, allowing it to serve both retail and institutional clients in Hong Kong, Mainland China and Southeast Asia regions with a comprehensive investment and wealth management product offering, as well as provision of fintech solution on securities trading and wealth management.

With the Target Company joining the Group, the product mix of wealth management business of the Group will expand from primarily life insurance policy to stocks, index options, futures, ETFs, bonds, investment funds, structured products etc. covering most, if not all, of the investment needs of an individual.



Meanwhile, the desire of global asset allocation of Mainland Chinese has been increasing post-COVID-19. They are continuously exploring alternatives to deploy their capital for better returns and to hedge against currency fluctuation. The enriched product portfolio will position our wealth management business advantageously to absorb this capital and allow them to settle down within the CTFS FS ecosystem.

The Target Company will also benefit from the Group's robust financial strength and longstanding reputation in Hong Kong, thereby creating additional value to the Target Company.

In view of the above, the Directors, including the independent non-executive Directors, are of the view that the terms of the SPA (Genius) and the SPA (ex-Genius) are on normal commercial terms or better, and are fair and reasonable, and the transactions contemplated under the SPA (Genius) and the SPA (ex-Genius) are in the interests of the Company and its shareholders as a whole.

## **INFORMATION ON THE PARTIES**

### **The Group and the Purchaser**

The Company is a company incorporated in Bermuda with limited liability whose shares are listed on the Main Board of the Stock Exchange. The Group invests in and operates a wide range of business predominantly in Hong Kong and Mainland China including toll roads, insurance, logistics, construction and facilities management.

The Purchaser is a company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of the Company. The Purchaser is principally engaged in investment holding.

### **Genius and Mr. Yuk**

Genius is a company incorporated in the British Virgin Islands whose ultimate beneficial owner is Mr. Yuk. To the best knowledge, information and belief of the Board, Genius is principally engaged in investment holding. To the best knowledge, information and belief of the Board, Mr. Yuk is a seasoned entrepreneur. To the best knowledge, information and belief of the Board, having made all reasonable enquiries, Genius and Mr. Yuk are third parties independent of the Company and its connected persons.

## **Country Magic and Mr. Kwok**

Country Magic is a company incorporated in the British Virgin Islands whose ultimate beneficial owner is Mr. Kwok. To the best knowledge, information and belief of the Board, Country Magic is principally engaged in investment holding. To the best knowledge, information and belief of the Board, Mr. Kwok is the chairman and founder of Yun Gao Group. Yun Gao Group mainly invests in property market, hotel and solar energy industries in PRC. Previously, Mr. Kwok held senior executive positions at several prominent companies, including Bankers Trust, Midland Bank, Crocker National Bank, Newbridge Capital Limited (later reorganized as TPG Asia), CITIC Ka Wah Bank Limited (now renamed as China CITIC Bank International) and CITIC Resources Holdings Limited. To the best knowledge, information and belief of the Board, having made all reasonable enquiries, Country Magic and Mr. Kwok are third parties independent of the Company and its connected persons.

## **Sinowise and Mr. Xu**

Sinowise is a company incorporated in the British Virgin Islands which is in turn wholly-owned by Elite Intellect Limited, a company incorporated in the British Virgin Islands, whose ultimate beneficial owner is Mr. Xu. To the best knowledge, information and belief of the Board, Sinowise is principally engaged in investment holding. To the best knowledge, information and belief of the Board, Mr. Xu is a seasoned investor with a strong background in infrastructure project investments. To the best knowledge, information and belief of the Board, having made all reasonable enquiries, Sinowise and Mr. Xu are third parties independent of the Company and its connected persons.

## **Mr. Chau**

To the best knowledge, information and belief of the Board, Mr. Chau is a businessman with over 15 years of experience in financial services, specializing in vehicle finance leasing. He serves as the chairman, chief executive officer and an executive director of Metropolis Capital Holdings Limited, a company incorporated in the Cayman Islands with limited liability and is listed on GEM of the Stock Exchange (Stock Code: 8621), of which he is also the controlling shareholder and founder. To the best knowledge, information and belief of the Board, having made all reasonable enquiries, Mr. Chau is a third party independent of the Company and its connected persons.

## **INFORMATION OF THE TARGET GROUP**

The Target Company is a company incorporated in the Cayman Islands with limited liability which is held as to 34.9% by Genius, 5.17% by Sinowise, 2.23% by Mr. Chau, 1.63% by Country Magic, and the rest by other shareholders as at the date of this announcement. In addition, Mr. Brian Cheng, a Director, holds 1% of the Target Company's issued share capital and is also a director and the chairman of the board of the Target Company.

As at the date of this announcement, the shareholder base of the Target Company is diverse. Other than the abovementioned and the following minority shareholders of the Target Company, no other shareholder of the Target Company holds more than 5% of the Target Company's issued share capital:

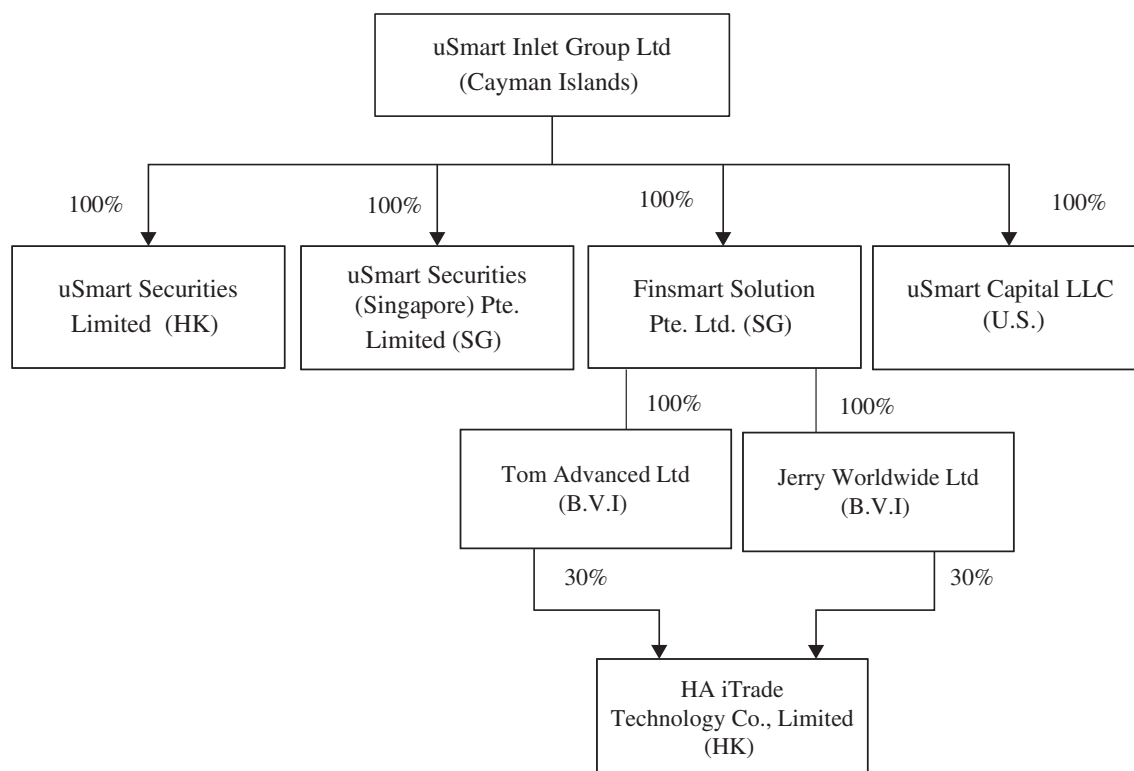
- (i) the Target Company is held as to 13.85% and 5% by Peak Vision Enterprises Limited (“**Peak Vision**”) and Easy Focus Investments Limited (“**Easy Focus**”) respectively, which are wholly owned by Mr. Hung Chak Wa (“**Mr. Hung**”). Peak Vision and Easy Focus are companies incorporated in the British Virgin Islands, which are principally engaged in investment holding, and Mr. Hung is a businessman. To the best knowledge, information and belief of the Board, having made all reasonable enquiries, Peak Vision, Easy Focus and Mr. Hung are third parties independent of the Company and its connected persons.
- (ii) the Target Company is held as to 6.09% and 1.34% by HTL Limited and uSmart Partners Limited, respectively, which are in turn held as to 100% and 61.54% respectively by Mr. Hong Taoli (“**Mr. Hong**”), the chief executive officer of the Target Company. HTL Limited and uSmart Partners Limited are companies incorporated in the British Virgin Islands, which are principally engaged in investment holding. To the best knowledge, information and belief of the Board, having made all reasonable enquiries, HTL Limited, uSmart Partners Limited and Mr. Hong are third parties independent of the Company and its connected persons.
- (iii) the Target Company is held as to 5.57% by uSmart Star Limited, which is in turn held as to 100% by Mr. Luo Haiqing (“**Mr. Luo**”), the chief executive officer of Finsmart SG (as defined below). Mr. Luo also holds 15.38% interest in uSmart Partners Limited. uSmart Star Limited is a company incorporated in the British Virgin Islands, which is principally engaged in investment holding. To the best knowledge, information and belief of the Board, having made all reasonable enquiries, uSmart Star Limited and Mr. Luo are third parties independent of the Company and its connected persons.

The Target Group principally engages in the sectors of securities brokerage and financial technology software development and application. It focuses on providing clients with professional one-stop financial and wealth management services and solutions primarily in Hong Kong and Singapore to both retail and institutional clients. It offers a comprehensive range of services, including online securities brokerage, fintech solutions in securities trading and wealth management. The Target Group comprises the Target Company and the following principal subsidiaries that provide securities brokerage and/or financial technology software development and application services:

- (i) uSmart Securities Limited (“**uSmart HK**”), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Target Company. uSmart HK is licensed by the SFC to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Cap.571). It provides online financial trading services through the “uSmart Securities” mobile application (i.e., uSMART HK APP), an advanced financial trading platform for global investors which supports trading of securities and options listed on exchanges in various jurisdictions such as the U.S., Hong Kong, PRC.

- (ii) uSmart Securities (Singapore) Pte. Limited (“**uSmart SG**”), a company incorporated in Singapore with limited liability and a wholly-owned subsidiary of the Target Company. uSmart SG holds a Capital Markets Services (CMS) license issued by MAS under the Securities and Futures Act 2001 for the regulated activities of (1) fund management, (2) dealing in capital markets products that are securities, units in collective investment schemes, exchange traded derivatives contracts and over-the-counter derivatives contracts, (3) product financing and (4) providing custodial services, and that it is also an exempt financial adviser advising on investment products and issuing or promulgating analyses/reports on investment products. Similar to uSmart HK, through the “uSmart Securities” mobile application (i.e., uSMART SG APP), uSmart SG provides a trading platform for customers to trade in financial instruments, including securities and options listed on exchanges in various jurisdictions such as the U.S., Hong Kong and Singapore. Both uSmart HK and uSmart SG are committed to integrating technology with finance and have developed exclusive trading platforms for global investors.
- (iii) uSmart Capital LLC (“**uSmart Capital**”), a limited liability company incorporated in New York, the U.S. and a wholly-owned subsidiary of the Target Company. uSmart Capital is a member of the FINRA and has obtained Securities and Exchange Commission (SEC) registration as a broker-dealer. It is principally engaged in retailing and underwriting corporate equity securities, selling corporate debt securities, and provision of advisory services to clients seeking guidance on strategic decisions, financial restructuring and other corporate actions.
- (iv) Finsmart Solution Pte. Ltd. (“**Finsmart SG**”), a company incorporated in Singapore with limited liability and a wholly-owned subsidiary of the Target Company. Finsmart SG is a technology company principally engaged in providing financial institutions with integrated solutions and value-added services such as securities trading system, market data service, asset management system, fund system, securities customer relationship management (“**CRM**”) and marketing system. It (through its subsidiaries, as mentioned below) has established a joint venture with Hundsun Ayers Technologies Limited (“**Hundsun Ayers**”), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Hundsun Technologies Inc. which is listed on the main board of Shanghai Stock Exchange (stock code: 600570). Hundsun Ayers provides technology solutions services ranging from trading systems supporting global securities, futures, and options to consolidated account management platforms and offshore custody service solutions, with operations spanning across the Asia-Pacific region.
- (v) HA iTrade Technology Co., Limited (“**HA iTrade**”), a company incorporated in Hong Kong with limited liability and a joint venture of the Target Company. HA iTrade is held as to 30% and 30% by Tom Advanced Ltd and Jerry Worldwide Ltd respectively, each of which being a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of Finsmart SG, and 40% by Hundsun Ayers. Tom Advanced Ltd and Jerry Worldwide Ltd are principally engaged in investment holding. HA iTrade is principally engaged in securities trading system solutions, quote and data services, CRM & marketing for securities firms and wealth management solutions. The main customer groups of HA iTrade are financial companies and financial services companies in Hong Kong.

Please see below a simplified structure chart of the Target Group showing the Target Company and the principal subsidiaries only for illustration purpose:



## Historical Financial Information of the Target Group

Set out below is the key consolidated financial information of the Target Group for the two years ended 31 December 2023 and 2024, which is based on the consolidated financial statements of the Target Group and is prepared in accordance with accounting principles generally accepted in the U.S.:

	<b>31 December 2024</b> (unaudited) <i>HK\$' million</i>	<b>31 December 2023</b> (audited) <i>HK\$' million</i>
Net loss before taxation	40.9	37.6
Net loss after taxation	41.0	37.6

The unaudited consolidated net asset value of the Target Group as at 31 December 2024 was approximately HK\$253.5 million.

## INFORMATION OF GENIUS

### Historical Financial Information of Genius

Set out below is the key financial information of Genius for the two years ended 31 December 2023 and 2024, which is based on the unaudited standalone financial statements of Genius and is prepared in accordance with International Financial Reporting Standards:

	<b>31 December 2024</b> (unaudited) <i>US\$'000</i>	<b>31 December 2023</b> (unaudited) <i>US\$'000</i>
Net loss before taxation	2	1
Net loss after taxation	2	1

The unaudited net asset value of Genius as at 31 December 2024 was approximately US\$2,000. Its principal asset comprises the 1,909,059,829 shares in the Target Company as at the date of this announcement.

### APPROVAL BY THE BOARD

Mr. Brian Cheng holds 1% shares in the Target Company and is also a director and the chairman of the board of the Target Company.

CTFH is held as to approximately 81.03% by Chow Tai Fook Capital Limited, which is in turn held as to approximately 48.98% by Cheng Yu Tung Family (Holdings) Limited and as to approximately 46.65% by Cheng Yu Tung Family (Holdings II) Limited.

Dr. Henry Cheng is a Director and a director of CTFH who together with his family members (within the meaning of the Listing Rules), namely Mr. Cheng Kar Shing, Peter, Mrs. Sun Cheng Lai Ha, Cecilia and Mrs. Doo Cheng Sau Ha, Amy, collectively hold a majority interest in each of Cheng Yu Tung Family (Holdings) Limited and Cheng Yu Tung Family (Holdings II) Limited. Accordingly, Mr. Brian Cheng, and Mr. Christopher Cheng (all of whom are Directors and sons of Dr. Henry Cheng) abstained from voting on the resolutions approving the Acquisitions at the Board meeting. Mr. William Doo Junior and Mr. Patrick Tsang also abstained from voting on the resolutions approving the Acquisitions at the Board meeting for the reasons stated below.

Mr. William Doo Junior is a Director and the son of Mrs. Doo Cheng Sau Ha, Amy. Therefore, Mr. William Doo Junior, of whom Mrs. Doo Cheng Sau Ha, Amy is an associate, abstained from voting on the resolutions approving the Acquisitions at the Board meeting.

Mr. Patrick Tsang is a Director and a director of CTFH. His spouse is also a niece of Dr. Henry Cheng and he is a cousin-in-law of Mr. Brian Cheng, Mr. Christopher Cheng and Mr. William Doo Junior. Accordingly, Mr. Patrick Tsang abstained from voting on the resolutions approving the Acquisitions at the Board meeting.

Save as disclosed above, no other Directors are regarded as having a material interest in the Acquisitions and hence no other Directors are required under the Listing Rules to abstain from voting on the resolutions approving the Acquisitions at the Board meeting.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, CTFH indirectly holds (through its subsidiaries) an aggregate of approximately 10.85% in the Target Company and is thus a substantial shareholder of the Target Company. As at the date of this announcement, CTFH indirectly holds (through its subsidiaries) an aggregate of approximately 76.12% of all issued share capital of the Company. Therefore, CTFH is a controller of the Company within the meaning of the Listing Rules. Accordingly, the Acquisitions constitute connected transactions under Rule 14A.28(1) of the Listing Rules.

Since the Acquisitions involve, among other things, the acquisitions of equity interests of the Target Company and have been entered into within a 12-month period, the Acquisition (Genius) and the Acquisition (ex-Genius) shall be aggregated under Rule 14A.81 of the Listing Rules as if they were one transaction.

As certain applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisitions are more than 0.1% but less than 5%, the Acquisitions are subject to the notification and announcement requirements, but exempt from the circular and shareholders' approval requirements, under Chapter 14A of the Listing Rules.

**As the completion of the Acquisitions is subject to the satisfaction or waiver (as applicable) of certain conditions precedent stated in the SPA (Genius) and the SPA (ex-Genius) respectively, the Acquisitions may or may not proceed. Accordingly, shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.**

*For the purpose of this announcement, unless otherwise specified, the conversion of US\$ into HK\$ is based on the approximate exchange rate from US\$1 to HK\$7.78. The exchange rate is adopted for illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be, exchanged at this rate or any other rate at all.*



## DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms shall have the meanings as set out below:

“Acquisition (ex-Genius)”	the proposed acquisition of the Stage 1 Sale Shares (ex-Genius) and Stage 2 Sale Shares (ex-Genius) as contemplated under the SPA (ex-Genius)
“Acquisition (Genius)”	the proposed acquisition of the Stage 1 Sale Shares (Genius) and the Stage 2 Sale Share (Genius) as contemplated under the SPA (Genius)
“Acquisitions”	Acquisition (ex-Genius) and Acquisition (Genius)
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than Saturday or Sunday) on which banks in Hong Kong are open for business to the public
“Company”	CTF Services Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 00659)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	The aggregated sum of Consideration (Genius) and Consideration (ex-Genius)
“Consideration (ex-Genius)”	Stage 1 Consideration (ex-Genius) and Stage 2 Consideration (ex-Genius)
“Consideration (Genius)”	Stage 1 Consideration (Genius) and Stage 2 Consideration (Genius)
“Country Magic”	Country Magic Limited, a company incorporated in the British Virgin Islands and a shareholder of the Target Company holding 88,888,889 shares of the Target Company (representing approximately 1.63% of the Target Company’s issued share capital) as at the date of this announcement

“CTFH”	Chow Tai Fook (Holding) Limited, a company incorporated in the British Virgin Islands with limited liability and a controlling shareholder of the Company
“Director(s)”	the director(s) of the Company
“Dr. Henry Cheng”	Dr. Cheng Kar Shun, Henry, a Director and a director of CTFH. Dr. Henry Cheng, together with Mr. Cheng Kar Shing, Peter, Mrs. Sun Cheng Lai Ha, Cecilia and Mrs. Doo Cheng Sau Ha, Amy, collectively hold a majority interest in each of Cheng Yu Tung Family (Holdings) Limited and Cheng Yu Tung Family (Holdings II) Limited. Dr. Henry Cheng is the father of Mr. Brian Cheng and Mr. Christopher Cheng, the uncle of Mr. William Doo Junior and the uncle of the spouse of Mr. Patrick Tsang
“Exceeding Amount (ex-Genius)”	the excess amount by which the Stage 1 Payment (ex-Genius) exceeds the Stage 1 Consideration (ex-Genius), in the amount of US\$12,505,629, which shall be deemed as an excess payment of the Stage 2 Consideration (ex-Genius)
“Exceeding Amount (Genius)”	the excess amount by which the Stage 1 Payment (Genius) exceeds the Stage 1 Consideration (Genius), in the amount of US\$48,344,371, which shall be deemed as an excess payment of the Stage 2 Consideration (Genius)
“FINRA”	Financial Industry Regulatory Authority of the U.S.
“Genius”	Genius Professional Enterprises Limited, a company incorporated in the British Virgin Islands and a shareholder of the Target Company holding 1,909,059,829 shares of the Target Company (representing approximately 34.9% of the Target Company’s issued share capital) as at the date of this announcement
“Genius Share”	1 ordinary share of Genius held by Mr. Yuk, representing 100% of the issued share capital of Genius
“Genius Share Charge”	a share charge over the Genius Share entered into by Mr. Yuk in favour of the Purchaser pursuant to the SPA (Genius)
“Government Agency”	any governmental, semi-governmental, administrative, fiscal, judicial or quasi-judicial body, department, commission, authority, tribunal, agency or entity
“Group”	the Company and its subsidiaries, which for the purpose of this announcement does not include the Target Group

“Guarantors”	collectively Mr. Xu and Mr. Kwok acting in such capacity under the SPA (ex-Genius)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Leakage”	<p>means</p> <ul style="list-style-type: none"> <li>(a) any dividend, distribution, repurchase, redemption or capital reduction;</li> <li>(b) any payment of principal, or interest on debt;</li> <li>(c) any payment or transfer of asset</li> <li>(d) any payments (including but not limited to management fees, monitoring fees, service or directors’ fees, bonuses or other compensation of any kind);</li> <li>(e) any liabilities assumed, indemnified or incurred; and</li> <li>(f) waiver or release of any amount or obligation</li> </ul> <p>by the Target Group to or for benefits of Mr. Yuk and Genius or any of their close associates, provided always that any of the above matters should not constitute a Leakage if such amount or matters have already been fairly and adequately accounted for and recorded; and</p> <ul style="list-style-type: none"> <li>(g) any tax payable as a consequence of any matters in (a) to (f) above</li> </ul>
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Long Stop Date”	31 December 2025
“MAS”	the Monetary Authority of Singapore
“Mr. Brian Cheng”	Mr. Cheng Chi Ming, Brian, a Director. Mr. Brian Cheng is the son of Dr. Henry Cheng, the brother of Mr. Christopher Cheng, the cousin of Mr. William Doo Junior and cousin-in-law of Mr. Patrick Tsang

“Mr. Christopher Cheng”	Mr. Cheng Chi Leong, Christopher, a Director. Mr. Christopher Cheng is the son of Dr. Henry Cheng, the brother of Mr. Brian Cheng, the cousin of Mr. William Doo Junior and cousin-in-law of Mr. Patrick Tsang
“Mr. Chau”	David Chau, a shareholder of the Target Company, holding 121,955,735 shares in the Target Company (representing approximately 2.23% of the Target Company’s issued share capital) as at the date of this announcement
“Mr. Kwok”	Kwok, Peter Viem, sole shareholder of Country Magic
“Mr. Patrick Tsang”	Mr. Tsang On Yip, Patrick, a Director and a director of CTFH. Mr. Patrick Tsang’s spouse is the niece of Dr. Henry Cheng and he is cousin-in-law of Mr. Brian Cheng, Mr. Christopher Cheng and Mr. William Doo Junior
“Mr. William Doo Junior”	Mr. William Junior Guilherme Doo, a Director. Mr. William Doo Junior is the son of Mrs. Doo Cheng Sau Ha, Amy, the nephew of Dr. Henry Cheng, the cousin of Mr. Brian Cheng and Mr. Christopher Cheng and cousin-in-law of Mr. Patrick Tsang
“Mr. Xu”	Xu Zheng, sole ultimate beneficial owner of Sinowise
“Mr. Yuk”	Yuk Zhi Kai Alan, sole shareholder of Genius
“PRC”	the People’s Republic of China and for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	Valiant Voice Limited, a company incorporated in the British Virgin Islands and an indirect wholly owned subsidiary of the Company
“Repayment Sum”	a total sum of US\$46,000,000 mutually agreed by Genius, Mr. Yuk, the Purchaser and the creditor of Genius to be repaid by Genius to the creditor
“Sale Shares”	collectively, Stage 1 Sale Shares (ex-Genius), Stage 2 Sale Shares (ex-Genius), Stage 1 Sale Shares (Genius), Stage 2 Sale Share (Genius)
“SFC”	the Securities and Futures Commission of Hong Kong

“Shareholders’ Deed”	the shareholders’ deed in respect of the Target Company dated 30 May 2023 entered into by and among all then shareholders of the Target Company and the Target Company
“Share Charge (Country Magic)”	a share charge over the 62,481,960 shares in the Target Company held by Country Magic to be entered into by Country Magic in favour of the Purchaser pursuant to the SPA (ex-Genius)
“Share Charge (Mr. Chau)”	a share charge over the 85,725,375 shares in the Target Company held by Mr. Chau to be entered into by Mr. Chau in favour of the Purchaser pursuant to the SPA (ex-Genius)
“Share Charge (Sinowise)”	a share charge over the 198,917,977 shares in the Target Company held by Sinowise to be entered into by Sinowise in favour of the Purchaser pursuant to the SPA (ex-Genius)
“Sinowise”	Sinowise Holdings Limited, a company incorporated in the British Virgin Islands and a shareholder of the Target Company holding 282,987,251 shares of the Target Company (representing approximately 5.17% of the Target Company’s issued share capital) as at the date of this announcement
“SPA (ex-Genius)”	a sale and purchase agreement for the purchase of (i) 282,987,251 shares in the Target Company held by Sinowise, (ii) 88,888,889 shares in the Target Company held by Country Magic; and (iii) 121,955,735 shares in the Target Company held by Mr. Chau
“SPA (Genius)”	a sale and purchase agreement for the purchase of (i) 567,139,590 shares in the Target Company held by Genius; and (ii) the Genius Share
“Stage 1 Completion (ex-Genius)”	completion of the sale and purchase of the Stage 1 Sale Shares (ex-Genius)
“Stage 1 Completion (Genius)”	completion of the sale and purchase of the Stage 1 Sale Shares (Genius)
“Stage 1 Conditions Precedent (ex-Genius)”	conditions precedent to the Stage 1 Completion (ex-Genius)
“Stage 1 Conditions Precedent (Genius)”	conditions precedent to the Stage 1 Completion (Genius)

“Stage 1 Consideration (ex-Genius)”	the consideration for the sale and purchase of the Stage 1 Sale Shares (ex-Genius) pursuant to the SPA (ex-Genius)
“Stage 1 Consideration (Genius)”	the consideration for the sale and purchase of the Stage 1 Sale Shares (Genius) pursuant to the SPA (Genius)
“Stage 1 Payment (ex-Genius)”	the aggregate of the Stage 1 Consideration (ex-Genius) and the Exceeding Amount (ex-Genius)
“Stage 1 Payment (Genius)”	the aggregate of the Stage 1 Consideration (Genius) and the Exceeding Amount (Genius)
“Stage 1 Sale Shares (ex-Genius)”	(i) 36,230,360 shares in the Target Company held by Mr. Chau, representing approximately 0.66% of the Target Company’s issued share capital; (ii) 26,406,929 shares in the Target Company held by Country Magic, representing approximately 0.48% of the Target Company’s issued share capital; and (iii) 84,069,274 shares in the Target Company held by Sinowise, representing approximately 1.54% of the Target Company’s issued share capital
“Stage 1 Sale Shares (Genius)”	567,139,590 shares in the Target Company held by Genius, representing approximately 10.37% of the Target Company’s issued share capital
“Stage 2 (Completion)”	Stage 2 Completion (ex-Genius) and Stage 2 Completion (Genius)
“Stage 2 Completion (ex-Genius)”	completion of the sale and purchase of the Stage 2 Sale Shares (ex-Genius)
“Stage 2 Completion (Genius)”	completion of the sale and purchase of the Stage 2 Sale Share (Genius)
“Stage 2 Conditions Precedent (ex-Genius)”	conditions precedent to the Stage 2 Completion (ex-Genius)
“Stage 2 Conditions Precedent (Genius)”	conditions precedent to the Stage 2 Completion (Genius)
“Stage 2 Consideration (ex-Genius)”	the consideration for the sale and purchase of the Stage 2 Sale Shares (ex-Genius) pursuant to the SPA (ex-Genius)

“Stage 2 Consideration (Genius)”	the consideration for the sale and purchase of the Stage 2 Sale Share (Genius) pursuant to the SPA (Genius)
“Stage 2 Payment (ex-Genius)”	the Stage 2 Consideration (ex-Genius), net of the Exceeding Amount (ex-Genius)
“Stage 2 Payment (Genius)”	the Stage 2 Consideration (Genius), net of the Exceeding Amount (Genius)
“Stage 2 Sale Share (Genius)”	the Genius Share
“Stage 2 Sale Shares (ex-Genius)”	(i) 85,725,375 Shares held by Mr. Chau, representing approximately 1.57% of the Target Company’s issued share capital; (ii) 62,481,960 shares in the Target Company held by Country Magic, representing approximately 1.15% of the Target Company’s issued share capital; and (iii) 198,917,977 shares in the Target Company held by Sinowise, representing approximately 3.63% of the Target Company’s issued share capital
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	uSmart Inlet Group Ltd, a company incorporated in the Cayman Islands with limited liability
“Target Group”	the Target Company and all its subsidiaries
“uSmart Share Charge”	a share charge over the 1,341,920,239 shares in the Target Company held by Genius to be entered into by Genius in favour of the Purchaser pursuant to the SPA (Genius)
“US\$”	the United States Dollar, the lawful currency of the U.S.
“U.S.”	the United States of America
“Vendors (ex-Genius)”	collectively, Mr. Chau, Sinowise and Country Magic, and each a “Vendor (ex-Genius)”
“W&I Insurance Policy”	the warranty and indemnity insurance policies issued by the W&I Insurer in favour of the Purchaser on the date of the SPA (Genius)
“W&I Insurance Policy Expense”	all costs and expenses incurred or to be incurred in connection with the W&I Insurance Policy



“W&I Insurer”

the underwriter(s) of the W&I Insurance Policy

“%”

per cent

By order of the Board  
**Dr. Cheng Kar Shun, Henry**  
*Chairman*

Hong Kong, 18 March 2025

*As at the date of this announcement, (a) the executive Directors are Dr. Cheng Kar Shun, Henry, Mr. Cheng Chi Ming, Brian, Mr. Ho Gilbert Chi Hang, Mr. Lam Jim and Mr. Cheng Chi Leong, Christopher; (b) the non-executive Directors are Mr. William Junior Guilherme Doo (alternate director to Mr. William Junior Guilherme Doo: Mr. Lam Wai Hon, Patrick) and Mr. Tsang On Yip, Patrick; and (c) the independent non-executive Directors are Mr. Shek Lai Him, Abraham, Mr. Lee Yiu Kwong, Alan, Mrs. Oei Wai Chi Grace Fung, Mr. Wong Kwai Huen, Albert, Professor Chan Ka Keung, Ceajer and Ms. Ng Yuen Ting, Yolanda.*