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Century Lead International Limited
(Incorporated in the British Virgin Islands with limited liability)

KEEN OCEAN INTERNATIONAL HOLDING LIMITED
僑洋國際控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8070)

JOINT ANNOUNCEMENT

**(1) ACQUISITION OF SALE SHARES IN
KEEN OCEAN INTERNATIONAL HOLDING LIMITED; AND
(2) UNCONDITIONAL MANDATORY CASH OFFER BY
WEST BULL SECURITIES LIMITED
FOR AND ON BEHALF OF THE OFFEROR
FOR ALL THE ISSUED SHARES IN
KEEN OCEAN INTERNATIONAL HOLDING LIMITED
(OTHER THAN THOSE SHARES ALREADY OWNED OR
AGREED TO BE ACQUIRED BY THE OFFEROR AND
PARTIES ACTING IN CONCERT WITH IT)**

Financial adviser to the Offeror

Nuada Limited

**Independent financial adviser to the
Independent Board Committee**

 **GLOBAL MASTERMIND SECURITIES LIMITED**
環球大通證券有限公司

THE SALE AND PURCHASE AGREEMENT

The Board was notified by the Vendor that on 26 January 2024 (after trading hours), the Offeror and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Offeror agreed to acquire and the Vendor agreed to sell the Sale Shares, comprising 126,000,000 Shares (representing 63.0% of the total issued share capital of the Company), for a total consideration of HK\$18,900,000 (equivalent to HK\$0.15 per Sale Share). The Completion Payment was paid by the Offeror from its internal cash resources upon Completion and the Offeror will finance the consideration of the Remaining Payment by its internal cash resources.

The Sale and Purchase Agreement was unconditional and Completion took place on 26 January 2024.

THE UNCONDITIONAL MANDATORY CASH OFFER

Immediately before Completion, the Offeror and parties acting in concert with it (other than the Vendor) were not interested in any Shares and other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. Immediately upon Completion and as at the date of this joint announcement, the Offeror and parties acting in concert with it (other than the Vendor) are interested in 126,000,000 Shares, representing 63.0% of the total issued share capital of the Company. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror will therefore be required to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and the parties acting in concert with it).

As at the date of this joint announcement, there are 200,000,000 Shares in issue, of which 126,000,000 Shares are held by the Offeror and parties acting in concert with it (representing 63.0% of the total Shares), and the Company does not have any outstanding options, warrants or derivatives which are convertible or exchangeable into Shares, and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

The Offer

West Bull will, for and on behalf of the Offeror, make the Offer on the following basis:

For each Offer ShareHK\$0.15 in cash

The Offer Price of HK\$0.15 per Offer Share is the same as the price per Sale Share payable by the Offeror under the Sale and Purchase Agreement.

GENERAL

Establishment of the Independent Board Committee

The Company has established the Independent Board Committee comprising all independent non-executive Directors, namely Mr. Cheung Yee Tak, Jonathan, Mr. Li Chung Pong, Stephen and Mr. Lam Chon Loi, all of whom have no direct or indirect interest in the Offer, to advise the Independent Shareholders in relation to the Offer and in particular as to whether the Offer is, or is not, fair and reasonable and as to the acceptance of the Offer.

Appointment of the Independent Financial Adviser

Pursuant to Rule 2.1 of the Takeovers Code, Global Mastermind has been appointed as the Independent Financial Adviser to advise the Independent Board Committee in connection with the Offer and in particular as to whether the Offer is, or is not, fair and reasonable and as to acceptance. Such appointment has been approved by the Independent Board Committee.

WARNING

The Directors make no recommendation as to the fairness or reasonableness of the Offer or as to the acceptance of the Offer in this joint announcement, and strongly recommend the Independent Shareholders not to form a view on the Offer unless and until they have received and read the Composite Document, including the recommendation of the Independent Board Committee to the Independent Shareholders in respect of the Offer and the letter of advice from the Independent Financial Adviser to the Independent Board Committee.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

THE SALE AND PURCHASE AGREEMENT

The Board was notified by the Vendor that on 26 January 2024 (after trading hours), the Offeror and the Vendor entered into the Sale and Purchase Agreement in relation to the sale and purchase of the Sale Shares. The principal terms of the Sale and Purchase Agreement are as follows:

Date

26 January 2024

Parties

Purchaser : Century Lead International Limited

Vendor : Cyber Goodie Limited

Immediately after Completion and as at the date of this joint announcement, the Offeror and parties acting in concert with it are interested in 126,000,000 Shares, representing 63.0% of the issued share capital of the Company.

The Vendor is a company incorporated in the British Virgin Islands with limited liability and the entire issued share capital of which is owned by Mr. Chung Chi Hang, Larry, an executive Director and the Chairman of the Company and is the younger brother of Mr. Chung, who is the sole shareholder and sole director of the Offeror.

Subject of the Sale and Purchase Agreement

Pursuant to the Sale and Purchase Agreement, the Offeror agreed to acquire and the Vendor agreed to sell the Sale Shares, comprising 126,000,000 Shares (representing 63.0% of the total issued share capital of the Company), for a total consideration of HK\$18,900,000 (equivalent to HK\$0.15 per Sale Share).

The Sale Shares had been sold free from all encumbrances together with all rights attaching thereto as at the date of Completion including but not limited to all dividends paid, declared or made on or after the date of Completion.

Consideration

The total consideration for the sale and purchase of the Sale Shares amounted to a sum of HK\$18,900,000 (equivalent to HK\$0.15 per Sale Share) which has been agreed between the Offeror and the Vendor after arm's length negotiations taking into account of (i) the business and the historical financial performance and financial position of the Group; and (ii) the historical liquidity and share prices performance of the Shares traded on the Stock Exchange. The consideration shall be settled by the Offeror in the following manner:

- (a) as to HK\$3,000,000 (the "**Completion Payment**") shall be settled upon the Completion Date; and
- (b) as to HK\$15,900,000 (the "**Remaining Payment**") shall be settled within six (6) months following the date of close of the Offer.

Save as to the consideration paid and payable by the Offeror to the Vendor under the Sale and Purchase Agreement, there is no other consideration, compensation or benefits in whatever form provided or to be provided by the Offeror and parties acting in concert with it (other than the Vendor) to the Vendor and parties acting in concert with it.

The Completion Payment was paid by the Offeror from its internal cash resources upon Completion and the Offeror will finance the consideration of the Remaining Payment by its internal cash resources. None of the Sale Shares acquired and the Offer Shares to be acquired by the Offeror is pledged or will be pledged (as the case may be) by the Offeror for financing the payment of the Sale Shares or the consideration payable under the Offer (as the case may be).

Completion

The Sale and Purchase Agreement was unconditional and Completion took place on 26 January 2024. Since Completion, the Vendor and parties acting in concert with it (other than the Offeror and Mr. Chung Tin Shing) have ceased to hold any Shares or any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

THE UNCONDITIONAL MANDATORY CASH OFFER

Immediately before Completion, the Offeror and parties acting in concert with it (other than the Vendor) were not interested in any Shares and other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. Immediately upon Completion and as at the date of this joint announcement, the Offeror and parties acting in concert with it (other than the Vendor) are interested in 126,000,000 Shares, representing 63.0% of the total issued share capital of the Company. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror will therefore be required to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and the parties acting in concert with it).

As at the date of this joint announcement, there are 200,000,000 Shares in issue, of which 126,000,000 Shares are held by the Offeror and parties acting in concert with it (representing 63.0% of the total Shares), and the Company does not have any outstanding options, warrants or derivatives which are convertible or exchangeable into Shares, and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

The Offer

West Bull will, for and on behalf of the Offeror, make the Offer on the following basis:

For each Offer Share HK\$0.15 in cash

The Offer Price of HK\$0.15 per Offer Share is the same as the price per Sale Share payable by the Offeror under the Sale and Purchase Agreement.

Comparison of value

The Offer Price of HK\$0.15 per Offer Share represents:

- (i) a discount of approximately 35.90% to the closing price of HK\$0.234 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 35.90% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the 5 consecutive trading days up to and including the Last Trading Day of approximately HK\$0.234 per Share;
- (iii) a discount of approximately 35.92% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the 10 consecutive trading days up to and including the Last Trading Day of approximately HK\$0.2341 per Share;
- (iv) a discount of approximately 39.27% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day of approximately HK\$0.2470 per Share;
- (v) a discount of approximately 63.33% to the audited consolidated net asset value per Share as at 31 December 2022 of approximately HK\$0.409 with reference to the audited consolidated net asset value of the Group of approximately HK\$81,805,000 as at 31 December 2022 and 200,000,000 Shares in issue as at the date of this joint announcement;
- (vi) a discount of approximately 66.81% to the unaudited consolidated net asset value per Share as at 30 June 2023 of approximately HK\$0.452 with reference to the unaudited consolidated net asset value of the Group of approximately HK\$90,359,000 as at 30 June 2023 and 200,000,000 Shares in issue as at the date of this joint announcement; and
- (vii) a discount of approximately 68.68% to the unaudited total equity per Share as at 30 September 2023 of approximately HK\$0.479 with reference to the unaudited total equity of the Group of approximately HK\$95,751,000 as at 30 September 2023 and 200,000,000 Shares in issue as at the date of this joint announcement.

Highest and lowest Share prices

During the six-month period immediately prior to and including the Last Trading Day, (i) the lowest closing price per Share as quoted on the Stock Exchange was HK\$0.230 on 8 January 2024; and (ii) the highest closing price per Share as quoted on the Stock Exchange was HK\$0.290 on 27 October 2023.

Value of the Offer

74,000,000 Shares will be subject to the Offer. Assuming there is no change in the issued share capital of the Company prior to the making of the Offer, on the basis of the Offer Price of HK\$0.15 per Offer Share, the Offer is valued at approximately HK\$11,100,000.

Financial resources available to the Offeror

The maximum aggregate amount payable by the Offeror for the Offer would be HK\$11,100,000 based on (i) the Offer Price of HK\$0.15 per Offer Share; (ii) and 74,000,000 Shares subject to Offer and (iii) assuming full acceptance of the Offer. The Offeror intends to finance the consideration payable under the Offer by its internal cash resources.

Nuada Limited, being the financial adviser to the Offeror in respect of the Offer, is satisfied that there are sufficient financial resources available to the Offeror to satisfy full acceptances of the Offer.

Effects of accepting the Offer

By accepting the Offer, the relevant Shareholders will sell their Shares to the Offeror free from all liens, claims, charges, encumbrances, rights of pre-emption and any third party rights of any nature and together with all rights attached to them, including but not limited to the right to receive all dividends and distributions declared, made or paid, if any, on or after the date the Offer is made, being the date of despatch of the Composite Document. Acceptances of the Offer shall be irrevocable and not capable of being withdrawn, excepted as permitted under the Takeovers Code. There is no declared but unpaid dividend by the Board as at the date of this joint announcement and the Board has not declared and does not intend to declare any dividends or distributions during the offer period (as defined under the Takeovers Code).

Stamp duty

Seller's ad valorem stamp duty payable by the Shareholders who accept the Offer and calculated at a rate of 0.10% of (i) the market value of the Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, will be deducted from the amount payable by the Offeror to such person on acceptance of the Offer.

Settlement

Settlement of the considerations for the Offer Shares will be made in cash 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 relevant documents of title are received by or on behalf of the Offeror (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 the Offeror, the Company, and their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

Overseas Shareholders

The availability of the Offer to persons who are not residents in Hong Kong may be affected by the applicable laws of the relevant jurisdiction in which they are residents. Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements in their own jurisdictions and, where necessary, seek their own 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).

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

DEALING AND INTERESTS IN THE COMPANY'S SECURITIES

Save for the acquisition of the Sale Shares under the Sale and Purchase Agreement, none of the Offeror and parties acting in concert with it had dealt in any Shares, convertible securities, warrants or options of the Company or any derivatives in respect of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the six months prior to the date of this joint announcement and up to and including the date of this joint announcement.

OTHER ARRANGEMENT

The Offeror confirms that, as at the date of this joint announcement:

- (i) save for a total of 126,000,000 Shares, none of the Offeror and parties acting in concert with it owns or has control or direction over any voting rights or rights over the Shares, options, derivatives, warrants or other securities convertible into Shares;

- (ii) none of the Offeror and parties acting in concert with it has borrowed or lent any relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company;
- (iii) there is no outstanding derivative in respect of securities in the Company which has been entered into by the Offeror and parties acting in concert with it;
- (iv) there is no arrangement (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to shares of the Company or the shares of the Offeror and which might be material to the Offer;
- (v) there is no agreement or arrangement to which the Offeror or any of the parties acting in concert with it is a party which relates to circumstances in which it may or may not invoke or seek to invoke a precondition or condition to the Offer;
- (vi) none of the Offeror and parties acting in concert with it has received any irrevocable commitment(s) to accept or reject the Offer;
- (vii) apart from the consideration for the sale and purchase of the Sale Shares, there is no other consideration, compensation or benefits in whatever form paid or to be paid by the Offeror or any parties acting in concert with it (other than the Vendor) to the Vendor and any party acting in concert with it in connection with the sale and purchase of the Sale Shares under the Sale and Purchase Agreement;
- (viii) the Offeror and the Vendor confirm that there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Offeror and parties acting in concert with it (other than the Vendor) on one hand and the Vendor and parties acting in concert with it (other than the Offeror) on the other hand; and
- (ix) there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeover Code) between (1) any Shareholder; and (2)(a) the Offeror and parties acting in concert with it or (2)(b) the Company, its subsidiaries or associated companies.

INFORMATION ON THE GROUP

The Company is an investment holding company. The Group principally engages in the design, development, production and sale of transformers, switching mode power supplies, electric healthcare products, other electronic parts and components.

INFORMATION ON THE OFFEROR

The Offeror is an investment holding company incorporated in the British Virgin Islands with limited liability and is wholly and beneficially owned by Mr. Chung, who is also the sole director of the Offeror. Mr. Chung, aged 60, is a merchant. He obtained a bachelor's degree in economics from York University in Canada and a master's degree in financial engineering from the City University of Hong Kong. He has over 20 years of experience in the finance industry in Hong Kong and operated a group of companies which respectively engaged in type 1 (dealing in securities) regulated activity (by Berich Brokerage Limited) and type 2 regulated activity (dealing in futures contracts) (by Berich Futures (H.K.) Company Limited) under the SFO during the period from 2007 to 2022 and type 9 (asset management) regulated activity (by Guo Bang (HK) Asset Management Limited) under the SFO during the period from 2018 to 2023. Mr. Chung is the elder brother of Mr. Chung Chi Hang, Larry, an executive Director and the Chairman of the Company and the sole shareholder of the Vendor.

INTENTIONS OF THE OFFEROR IN RELATION TO THE GROUP

It is the Offeror's intention to further consolidate its interest in the Company pursuant to the Offer. The Offeror (including Mr. Chung) has no intention to introduce major changes to the existing business of the Group, including any redeployment of fixed assets other than those in its ordinary course of business. The intention of the Offeror (including Mr. Chung) is that the Company's existing principal activities will be maintained, and at the same time after completion of the Offer, the Offeror (including Mr. Chung) will assist the Company in reviewing its business and operations and seek for new investment opportunities.

The Offeror (including Mr. Chung) will, depending on the business operations and development of the Group in the future, constantly review the employee structure of the Group so as to meet the needs of the Group from time to time. The Offeror (including Mr. Chung) has no intention to (i) discontinue the employment of any employees of the Group; or (ii) redeploy the fixed assets of the Company other than those in its ordinary and usual course of business.

CHANGES TO THE COMPOSITION OF THE BOARD

As at the date of this joint announcement, the executive Directors are Mr. Chung Chi Hang, Larry, Mr. Chung Tin Shing and Mr. Wong Shek Fai, Johnson; and the independent non-executive Directors are Mr. Cheung Yee Tak, Jonathan, Mr. Li Chung Pong, Stephen and Mr. Lam Chon Loi.

The Offeror intends to nominate new Directors to the Board with effect from the time permitted under the Takeovers Code and any such appointment will be made in compliance with the Takeovers Code and the GEM Listing Rules. As at the date of this joint announcement, the Offeror has not decided on the candidates to be nominated. Further announcement(s) will be made by the Company regarding changes in the Board composition as and when appropriate.

MAINTAINING THE GEM LISTING STATUS OF THE COMPANY

The Offeror intends the issued Shares to remain listed on the Main Board after the close of the Offer.

Pursuant to the GEM Listing Rules, if, at the closing of the Offer, less than 25% of the issued 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, then the Stock Exchange will consider exercising its discretion to suspend trading in the Shares until the prescribed level of public float is restored.

The Offeror will take appropriate steps to ensure that sufficient public float exists in the Shares after the close of the Offer.

SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company immediately before and after Completion are as follows:

	Immediately before Completion		Immediately after Completion	
	Number of Shares	Approximate %	Number of Shares	Approximate %
The Offeror and parties acting in concert with it				
The Vendor ^(Note 1)	126,000,000	63.00	–	–
The Offeror and parties acting in concert with it (other than the Vendor)	–	–	126,000,000	63.00
Sub-total	<u>126,000,000</u>	<u>63.00</u>	<u>126,000,000</u>	<u>63.00</u>
Mr. Chung Tin Shing ^(Note 2)	14,000,000	7.00	14,000,000	7.00
Public Shareholders	<u>60,000,000</u>	<u>30.00</u>	<u>60,000,000</u>	<u>30.00</u>
Total	<u>200,000,000</u>	<u>100.0</u>	<u>200,000,000</u>	<u>100.0</u>

Note:

1. These Shares are held by Vendor, 100% shareholding of which is owned by Mr. Chung Chi Hang, Larry. Mr. Chung Chi Hang, Larry is deemed to be interested in the shares held by Vendor under the SFO.
2. Mr. Chung Tin Shing is an executive Director. As disclosed in the annual report of the Company for the year ended 31 December 2022, 天工電子塑膠(河源)有限公司(T-Lab Electronic and Plastic (He Yuan) Co. Ltd.) (“**He Yuan T-Lab**”) is wholly-owned by Yield Speed Limited which is ultimately owned as to 90% by the Vendor (which in turn is wholly-owned by Mr. Chung Chi Hang, Larry) and as to 10% by Mr. Chung Tin Shing. 河源天裕電子塑膠有限公司 (He Yuan Sky Wealth Electronic and Plastic Company Limited) (“**He Yuan Sky Wealth**”), a wholly-owned subsidiary of the Company, and He Yuan T-Lab has entered into tenancy agreements, whereby He Yuan Sky Wealth leased from He Yuan T-Lab the properties located at the east of Xinggong Avenue and south of Keqi Road, High-tech Development Zone, Heyuan City, Guangdong Province, the PRC. Accordingly, Mr. Chung Tin Shing is considered to be a party acting in concert with Mr. Chung Chi Hang, Larry. For the avoidance of doubt, Mr. Chung Tin Shing does not have any relationship with Mr. Chung and/or the Offeror and is not a party acting in concert with the Offeror.
3. Save as disclosed above, none of the Directors hold any Shares as at the date of this joint announcement.

GENERAL

Establishment of the Independent Board Committee

The Company has established the Independent Board Committee comprising all independent non-executive Directors, namely Mr. Cheung Yee Tak, Jonathan, Mr. Li Chung Pong, Stephen and Mr. Lam Chon Loi, all of whom have no direct or indirect interest in the Offer, to advise the Independent Shareholders in relation to the Offer and in particular as to whether the Offer is, or is not, fair and reasonable and as to the acceptance of the Offer.

Appointment of the Independent Financial Adviser

Pursuant to Rule 2.1 of the Takeovers Code, Global Mastermind has been appointed as the Independent Financial Adviser to advise the Independent Board Committee in connection with the Offer and in particular as to whether the Offer is, or is not, fair and reasonable and as to acceptance. Such appointment has been approved by the Independent Board Committee.

Despatch of Composite Document

It is the intention of the Offeror and the Company to combine the offer document with the offeree board circular from the Company in a composite offer and response document. In accordance with Rule 8.2 of the Takeovers Code, the Composite Document containing, among other things: (i) details of the Offer (including the expected timetable); (ii) a letter of advice from the Independent Board Committee to the Independent Shareholders in relation to the Offer; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee in relation to the Offer, together with the relevant form of acceptance and transfer, is required to be despatched to the Shareholders within 21 days of the date of this joint announcement or such later date as the Executive may approve. It is expected that the Composite Document will be despatched on or before 16 February 2024 in compliance with the Takeovers Code.

Further announcement(s) regarding the despatch of the Composite Document will be made by the Offeror and the Company as and when appropriate.

DEALINGS DISCLOSURE

In accordance with Rule 3.8 of the Takeovers Code, the associates of the Company and the Offeror (as defined under the Takeovers Code, including persons holding 5% or more of a class of relevant securities issued by the Company) are hereby reminded to disclose their dealings in any securities of the Company pursuant to 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 of an offeror or the offeree company and other persons under Rule 22 of the Takeovers Code 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 of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

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

WARNING

The Directors make no recommendation as to the fairness or reasonableness of the Offer or as to the acceptance of the Offer in this joint announcement, and strongly recommend the Independent Shareholders not to form a view on the Offer unless and until they have received and read the Composite Document, including the recommendation of the Independent Board Committee to the Independent Shareholders in respect of the Offer and the letter of advice from the Independent Financial Adviser to the Independent Board Committee.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

DEFINITIONS

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

“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“associates”	has the meaning ascribed thereto under the Takeovers Code
“Board”	the board of the Directors
“Company”	Keen Ocean International Holding Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM of the Stock Exchange (stock code: 8070)
“Composite Document”	the composite document to be issued jointly by the Offeror and the Company in relation to the Offer in accordance with the Takeovers Code and the GEM Listing Rules

“Completion”	completion of the Sale and Purchase Agreement in accordance with its terms
“Completion Date”	the date on which the Completion shall take place, being the date of the Sale and Purchase Agreement
“Completion Payment”	has the meaning ascribed thereto under the section headed “The Sale And Purchase Agreement – Consideration” in this joint announcement
“Director(s)”	the director(s) of the Company
“Executive”	the Executive Director of the Corporate Finance Division of the SFC and any delegate of the Executive Director
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Company, comprising all independent non-executive Directors, namely Mr. Cheung Yee Tak, Jonathan, Mr. Li Chung Pong, Stephen and Mr. Lam Chon Loi, established for the purpose of making a recommendation to the Independent Shareholders in relation to the Offer
“Independent Financial Adviser” or “Global Mastermind”	Global Mastermind Securities Limited, a licensed corporation to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO, appointed by the Company as the independent financial adviser for the purpose of advising the Independent Board Committee in connection with the Offer
“Independent Shareholders”	the Shareholders, other than the Offeror and parties acting in concert with it

“Last Trading Day”	26 January 2024, being the last trading day immediately prior to the release of this joint announcement
“Mr. Chung”	Mr. Chung Chi Wah, who is the sole director and sole shareholder of the Offeror
“Nuada”	Nuada Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activities under the SFO, being the financial adviser to the Offeror in respect of the Offer
“Offer”	the mandatory unconditional cash offer to be made by West Bull for and on behalf of the Offeror to acquire the Offer Shares on the terms and conditions set out in this joint announcement and in compliance with the Takeovers Code
“Offer Price”	the price at which the Offer will be made, being HK\$0.15 per Offer Share
“Offer Share(s)”	any and all of the issued Share(s), other than those Shares already owned by or agreed to be acquired by the Offeror and parties acting in concert with it
“Offeror”	Century Lead International Limited, a company incorporated in the British Virgin Islands, which is wholly and beneficially owned by Mr. Chung as at the date of this joint announcement
“PRC”	The People’s Republic of China
“Remaining Payment”	has the meaning ascribed thereto under the section headed “The Sale And Purchase Agreement – Consideration” in this joint announcement
“Sale and Purchase Agreement”	the unconditional sale and purchase agreement dated 26 January 2024 and entered into between the Offeror (as purchaser) and the Vendor in relation to the sale and purchase of the Sale Shares
“Sale Shares”	an aggregate of 126,000,000 Shares acquired by the Offeror from the Vendor pursuant to the Sale and Purchase Agreement
“SFC”	the 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 share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Vendor”	Cyber Goodie Limited, a company incorporated in the British Virgin Islands, which is wholly and beneficially owned by Mr. Chung Chi Hang, Larry, an executive Director and the Chairman of the Company, as at the date of this joint announcement
“West Bull”	West Bull Securities Limited, a licensed corporation to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO, the agent making the Offer on behalf of the Offeror
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By order of the board
Century Lead International Limited
Chung Chi Wah
Sole Director

By order of the Board
Keen Ocean International Holding Limited
Chung Chi Hang, Larry
Chairman

Hong Kong, 26 January 2024

As at the date of this joint announcement, the executive Directors are Mr. Chung Chi Hang, Larry, Mr. Chung Tin Shing and Mr. Wong Shek Fai, Johnson; and the independent non-executive Directors are Mr. Cheung Yee Tak, Jonathan, Mr. Li Chung Pong, Stephen and Mr. Lam Chon Loi.

The Directors jointly and severally accept full responsibility for the accuracy of the information (other than that relating to the Offeror) contained in this joint announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed (other than those expressed by the sole director of the Offeror) 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, Mr. Chung is the sole director of the Offeror.

The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Group), and confirms, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than opinions expressed by the Directors) 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.

This joint announcement will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange of Hong Kong Limited at www.hkexnews.hk for at least 7 days from the date of its publication and on the website of the Company at www.keenocean.com.hk.