
THIS OFFER DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of the Offer, this Offer Document and/or the accompanying Form of Acceptance or the action to be taken, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in State Energy Group International Assets Holdings Limited, you should at once hand this Offer Document and the accompanying Form of Acceptance to the purchaser(s) or transferee(s) or the licensed securities dealer or registered institution in securities or other agent through whom the sale was effected for transmission to the purchaser(s) or transferee(s).

This Offer Document should be read in conjunction with the accompanying Form of Acceptance, the contents of which form part of the terms and conditions of the Offer contained herein.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Offer Document and the accompanying Form of Acceptance, make no representation as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Offer Document and the accompanying Form of Acceptance.

ALWAYS PROFIT DEVELOPMENT LIMITED

(Incorporated in the British Virgin Islands with limited liability)

**MANDATORY UNCONDITIONAL CASH OFFER
BY OPTIMA CAPITAL LIMITED
ON BEHALF OF ALWAYS PROFIT DEVELOPMENT LIMITED
TO ACQUIRE ALL THE ISSUED SHARES IN
STATE ENERGY GROUP INTERNATIONAL ASSETS HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY
ALWAYS PROFIT DEVELOPMENT LIMITED AND
PARTIES ACTING IN CONCERT WITH IT)**

Financial adviser to Always Profit Development Limited



Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this Offer Document.

A letter from Optima Capital containing, among other things, details of the terms of the Offer is set out on pages 5 to 13 of this Offer Document.

The procedures for acceptance and settlement of the Offer and other related information are set out in Appendix I to this Offer Document and in the accompanying Form of Acceptance. Acceptance of the Offer should be received by the Registrar as soon as possible and in any event no later than 4:00 p.m. on Monday, 8 October 2018 or such later time and/or date as the Offeror may decide and announce with the consent of the Executive, in accordance with the requirements under the Takeovers Code.

This Offer Document is issued by the Offeror. This Offer Document will remain on the websites of the Stock Exchange at <http://www.hkexnews.hk> and the Company at <http://www.seiah.com> as long as the Offer remains open.

10 September 2018

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EXPECTED TIMETABLE

The expected timetable set out below is indicative only and may be subject to changes. Further announcement(s) will be made in the event of any changes to the timetable as and when appropriate.

All time and date references contained in this Offer Document and the accompanying Form of Acceptance shall refer to Hong Kong local time and dates.

Event	Time and Date
Despatch date of this Offer Document and the Form of Acceptance (<i>Note 1</i>)	. . . Monday, 10 September 2018
Offer opens for acceptance (<i>Note 1</i>) Monday, 10 September 2018
Latest date for the posting of the Response Document (<i>Note 2</i>) Monday, 24 September 2018
Latest time and date for acceptance of the Offer on the Closing Date (<i>Note 3 & 4</i>) not later than 4:00 p.m. on Monday, 8 October 2018
Announcement of the results of the Offer as at the Closing Date to be published on the website of the Stock Exchange and the Company (<i>Note 3</i>) not later than 7:00 p.m. on Monday, 8 October 2018
Latest date for posting of remittances in respect of valid acceptances received under the Offer (<i>Note 4 & 5</i>) Thursday, 18 October 2018

Notes:

1. The Offer, which is unconditional, is made on the date of posting of this Offer Document, and is capable of acceptance on and from that date until 4:00 p.m. on the Closing Date, unless the Offeror revises or extends the Offer in accordance with the Takeovers Code.
2. In accordance with the Takeovers Code, the Company is required to post the Response Document within 14 days from the posting of this Offer Document, unless the Executive consents to a later date and the Offeror agrees to extend the closing date by the number of days in respect of which the delay in the posting of the Response Document is agreed.
3. In accordance with the Takeovers Code, where the Response Document is posted after the date on which this Offer Document is posted, the Offer must initially be open for acceptance for at least 28 days following the date on which this Offer Document is posted. The latest time and date for acceptance of the Offer is 4:00 p.m. on Monday, 8 October 2018 unless the Offeror revises or extends the Offer in accordance with the Takeovers Code. An announcement will be issued on the website of the Stock Exchange and the Company by 7:00 p.m. on the Closing Date, stating whether the Offer has been extended, revised or expired. In the event that the Offeror decides to extend the Offer and the announcement does not specify the next closing date, at least 14 days' notice by way of an announcement will be given before the Offer is closed in accordance with the Takeovers Code.

EXPECTED TIMETABLE

4. If there is a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning signal in force on the Closing Date or the date for posting of remittances and it has (i) not been cancelled in time for trading on the Stock Exchange to resume in the afternoon, the time and date of the close of the Offer or the posting of remittances will be postponed to 4:00 p.m. on the next Business Day which does not have either of those warnings in force in Hong Kong or such other day as the Executive may approve; or (ii) been cancelled in time for trading on the Stock Exchange to resume in the afternoon, the time and date of the close of the Offer or the posting of remittances will remain at 4:00 p.m. on the same Business Day.
5. Remittances in respect of the cash consideration (after deducting the seller’s ad valorem stamp duty) payable for the Offer Shares tendered under the Offer will be despatched to the Shareholders accepting the Offer by ordinary post at their own risk as soon as possible, but in any event within seven (7) Business Days following the date of receipt of all relevant documents (receipt of which renders such acceptance complete and valid) in accordance with the Takeovers Code. Acceptances of the Offer shall be irrevocable and not capable of being withdrawn, except in the circumstances set out in the section headed “5. Right of withdrawal” in Appendix I to this Offer Document.

Save as mentioned above, if the latest time for the acceptance of the Offer and the posting of remittances do not take effect on the date and time as stated above, the other dates mentioned above may be affected. The Offeror will notify the Shareholders by way of announcement(s) on any change to the expected timetable as soon as practicable.

IMPORTANT NOTICE

NOTICE TO SHAREHOLDERS OUTSIDE HONG KONG

The making of the Offer to persons being not residents in Hong Kong or with registered addresses in jurisdictions outside Hong Kong may be prohibited or affected by the laws of the relevant jurisdictions. Overseas Shareholders who are citizens or residents or nationals of jurisdictions outside Hong Kong should inform themselves about and observe any applicable legal requirements. It is the responsibility of any such person who wishes to accept the Offer to satisfy himself/herself/itself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents or registration or filing which may be required or the compliance with other necessary formalities, regulatory and/or legal requirements and the payment of any transfer or other taxes or other required payments due in respect of such jurisdiction for accepting the Offer. The Offeror and parties acting in concert with it, Optima Capital, the Registrar, their respective ultimate beneficial owners, directors, officers, professional advisers, agents and associates and any other person involved in the Offer shall be entitled to be fully indemnified and held harmless by such person for any taxes as such person may be required to pay. Please see the section headed “7. Overseas Shareholders” in Appendix I to this Offer Document for further details.

DEFINITIONS

In this Offer Document, unless otherwise defined or the context otherwise requires, the following expressions shall have the following meanings:

“Acquisition”	the acquisition of the Sale Shares by the Offeror from the Vendor pursuant to the Agreement
“acting in concert”	has the same meaning ascribed thereto under the Takeovers Code
“Agreement”	the sale and purchase agreement dated 22 August 2018 and entered into among the Vendor, the Receivers and the Offeror in relation to the Acquisition
“Announcement”	the announcement dated 29 August 2018 issued by the Offeror in relation to the Acquisition and the Offer
“associate(s)”	has the same meaning ascribed thereto under the Listing Rules and the Takeovers Code (as the context may require)
“Board”	the board of Directors
“Business Day(s)”	a day(s) on which the Stock Exchange is open for the transaction of business
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
“Closing Date”	Monday, 8 October 2018, being the closing date of the Offer or any subsequent closing date(s) as may be determined and announced by the Offeror with the consent of the Executive in accordance with the Takeovers Code
“Company”	State Energy Group International Assets Holdings 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: 918)
“Completion”	completion of the Acquisition in accordance with the terms of the Agreement which took place on 27 August 2018
“Director(s)”	director(s) of the Company from time to time

DEFINITIONS

“Executive”	the Executive Director of the Corporate Finance Division of the SFC from time to time and any delegate of such Executive Director
“Form of Acceptance”	the form of acceptance and transfer of Offer Shares in respect of the Offer
“Group”	the Company and its subsidiaries from time to time
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Last Trading Day”	22 August 2018, being the date of the Agreement and the last trading day on which the Shares were traded on the Stock Exchange immediately prior to the release of this announcement
“Latest Practicable Date”	7 September 2018, being the latest practicable date prior to the printing of this Offer Document for ascertaining certain information contained in this Offer Document
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Mr. Zhang”	Mr. Zhang Jinbing, who legally and beneficially owns the entire issued share capital of the Offeror and is the sole director of the Offeror
“Offer”	the mandatory unconditional cash offer being made by Optima Capital, for and on behalf of the Offeror, to acquire all the issued Shares not already owned or agreed to be acquired by the Offeror and parties acting in concert with it, on the terms and conditions to be set out in an offer document and in compliance with the Takeovers Code
“Offer Document”	this offer document issued by the Offeror to all Shareholders in accordance with the Takeovers Code containing, <i>inter alia</i> , details of the Offer, together with the Form of Acceptance

DEFINITIONS

“Offer Period”	has the meaning given to it in the Takeovers Code, being the period commencing from the date of the Announcement (i.e. 29 August 2018) and ending on the Closing Date
“Offer Price”	the cash amount of HK\$0.1601 for each Offer Share payable by the Offeror to the Shareholders accepting the Offer
“Offer Share(s)”	all the Shares in issue, other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it
“Offeror”	Always Profit Development Limited, a company incorporated in the British Virgin Islands with limited liability, details of which are set out in the paragraph headed “Information on the Offeror” in this Offer Document
“Optima Capital”	Optima Capital Limited, a corporation licensed under the SFO 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, being the financial adviser to the Offeror in respect of the Offer
“Overseas Shareholder(s)”	Shareholder(s) other than the Offeror and parties acting in concert with it whose address(es) as shown on the register of members of the Company is/are outside Hong Kong
“Receivers”	Messrs. Wong Teck Meng, Chan Pui Sze and Mak Hau Yin, all of Briscoe Wong Advisory Limited, in their capacity as the joint and several receivers over certain assets of the Vendor including the Sale Shares
“Registrar”	the Hong Kong branch share registrar of the Company, Tricor Abacus Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Relevant Period”	the period from 28 February 2018, being the date falling six months prior to 29 August 2018 (the date of the Announcement and the commencement of the Offer Period) and ending on and including the Latest Practicable Date

DEFINITIONS

“Response Document”	the document required to be issued by the Company to all the Shareholders in accordance with the Takeovers Code containing, amongst other things, a letter from the Board, a letter from the independent board committee in relation to the Offer and a letter from the independent financial adviser in relation to the Offer
“Sale Shares”	a total of 546,448,493 Shares acquired by the Offeror from the Vendor pursuant to the terms and conditions of the 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\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Vendor”	State Energy HK Limited, a company incorporated in Hong Kong with limited liability (receivers appointed)
“HK\$”	Hong Kong dollars, the lawful currency for the time being of Hong Kong
“%”	per cent

The English text of this Offer Document and the Forms of Acceptance shall prevail over their respective Chinese text for the purpose of interpretation.

LETTER FROM OPTIMA CAPITAL



Suite 1501
15th Floor, Jardine House
1 Connaught Place
Central
Hong Kong

10 September 2018

To the Shareholders

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFER
BY OPTIMA CAPITAL LIMITED
ON BEHALF OF ALWAYS PROFIT DEVELOPMENT LIMITED
TO ACQUIRE ALL THE ISSUED SHARES IN
STATE ENERGY GROUP INTERNATIONAL ASSETS HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY
ALWAYS PROFIT DEVELOPMENT LIMITED AND
PARTIES ACTING IN CONCERT WITH IT)**

1. INTRODUCTION

Reference is made to the Announcement made by the Offeror in relation to, among other matters, the Acquisition and the Offer.

After the Stock Exchange trading hours on 22 August 2018, the Vendor, the Receivers and the Offeror entered into the Agreement, pursuant to which the Receivers (pursuant to the exercise of their powers as receivers of the Sale Shares) agreed on behalf of the Vendor to sell and the Offeror agreed to purchase the Sale Shares, comprising an aggregate of 546,448,493 Shares and representing approximately 70.47% of the Shares in issue as at the date of the Agreement, for an aggregate cash consideration of HK\$87,431,759.70 (equivalent to approximately HK\$0.1600 per Sale Share).

Completion took place on 27 August 2018.

Immediately prior to Completion, the Offeror and parties acting in concert with it did not own, control or have direction over any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

Immediately following Completion, the Offeror and parties acting in concert with it own an aggregate of 546,448,493 Shares, representing approximately 70.47% of the Shares in issue as at the date of Completion.

Pursuant to Rule 26.1 of the Takeovers Code, immediately following Completion, the Offeror is 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 parties acting in concert with it).

LETTER FROM OPTIMA CAPITAL

This letter forms part of this Offer Document and sets out, among other things, details of the principal terms of the Offer, information on the Offeror and the intention of the Offeror regarding the Group. The terms and procedures of acceptance of the Offer are set out in this letter, Appendix I to this Offer Document, and the accompanying Form of Acceptance.

The Company is required to despatch the Response Document within 14 days after the posting of this Offer Document. Shareholders are advised to read this Offer Document and the Response Document before taking any action in respect of the Offer.

THE OFFER

Optima Capital, on behalf of the Offeror, is making the Offer to acquire all of the Offer Shares pursuant to Rule 26.1 of the Takeovers Code on the following basis:

The Offer Price

For each Offer Share HK\$0.1601 in cash

The Offer Price of HK\$0.1601 per Offer Share under the Offer is determined based on and is approximately equal to but not lower than the price per Sale Share of approximately HK\$0.1600 acquired by the Offeror under the Agreement.

The Offer is unconditional in all respects.

Comparison of the Offer Price

The Offer Price of HK\$0.1601 per Offer Share represents:

- (a) a discount of approximately 5.3% to the closing price of HK\$0.1690 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 7.1% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day of approximately HK\$0.1724 per Share;
- (c) a discount of approximately 6.6% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to and including the Last Trading Day of approximately HK\$0.1715 per Share; and
- (d) a premium of approximately 173.7% over the audited consolidated net asset value per Share as at 31 March 2018 of approximately HK\$0.0585 (which is calculated by dividing the audited consolidated capital and reserves attributable to the Company's equity holders as at 31 March 2018 of approximately HK\$45,323,000 as shown in the Company's annual report by 775,406,000 Shares in issue as at the Latest Practicable Date).

LETTER FROM OPTIMA CAPITAL

- (e) a discount of approximately 60.0% to the closing price of HK\$0.400 per Share on the Stock Exchange on the Latest Practicable Date.

Highest and lowest Share prices

During the Relevant Period, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.5300 on 9 March 2018 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.1610 on 8 August 2018.

Total value of the Offer

As at the Latest Practicable Date, there were 775,406,000 Shares in issue. Based on the Offer Price of HK\$0.1601 per Share, the entire issued share capital of the Company was valued at approximately HK\$124.14 million.

Excluding the Sale Shares (i.e. 546,448,493 Shares) acquired by the Offeror under the Agreement and on the basis that there will be no change in the issued share capital of the Company from the Latest Practicable Date to the Closing Date, a total of 228,957,507 Shares will be subject to the Offer. Accordingly, the maximum cash consideration payable by the Offeror under the Offer will be approximately HK\$36.66 million.

Confirmation of financial resources

The Offeror will finance the Offer by a margin loan facility provided by Dongxing Securities (Hong Kong) Company Limited (“**Dongxing**”), which did not hold any relevant securities in the Company as at the Latest Practicable Date. The loan facility is irrevocable and secured by (a) cash; (b) the Sale Shares; (c) the Shares to be acquired by the Offeror under the Offer; and (d) the shares of other listed companies of which the Offeror is the beneficiary (together the “**Pledged Shares**”) deposited in a securities account maintained by the Offeror with Dongxing. It is the term of the loan facility that the loan facility will not be revoked and the loan-to-value ratio for the Pledged Shares will remain unchanged during the period of the loan facility, accordingly any price movement in the Pledged Shares will not affect the availability of the loan facility. Optima Capital, the financial adviser to the Offeror in respect the Offer, is satisfied that sufficient financial resources are available to the Offeror to satisfy the consideration for full acceptance of the Offer.

Effect of accepting the Offer

By accepting the Offer, the Shareholders shall sell their Shares free from all encumbrances and with all rights and benefits at any time accruing and attached to them, including the rights to receive all dividends and distributions declared, made or paid on or after the date on which the Offer is made, being the date of despatch of this Offer Document.

Acceptance of the Offer shall be irrevocable and shall not be capable of being withdrawn, subject to the provisions of the Takeovers Code.

LETTER FROM OPTIMA CAPITAL

Payment

Payment in cash in respect of acceptances of the Offer will be made as soon as possible but within seven (7) Business Days following the date on which the duly completed acceptance of the Offer and the relevant documents of title of the Offer Shares in respect of such acceptance are received by or for the Offeror to render each such acceptance complete and valid. No fractions of a cent will be payable and the amount of the consideration payable to a Shareholder who accepts the Offer will be rounded up to the nearest cent.

Overseas Shareholders

As the Offer to persons not resident in Hong Kong may be affected by the laws of the relevant jurisdiction in which they are resident, Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the responsibility of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due in respect of such jurisdictions).

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

Stamp duty

In Hong Kong, seller's ad valorem stamp duty payable by the Shareholders who accept the Offer and calculated at a rate of 0.1% of the market value of the Offer Shares or consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is the higher, will be deducted from the amount payable by the Offeror to the relevant Shareholders on the acceptance of the Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the Shareholders who accept the Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Offer Shares.

Taxation advice

Shareholders are recommended to consult their own professional advisers as to the taxation implications of accepting or rejecting the Offer. None of the Offeror and its advisers accept any responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

LETTER FROM OPTIMA CAPITAL

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. Zhang.

Mr. Zhang, aged 46, is the sole shareholder and director of the Offeror. Mr. Zhang is the controlling shareholder of Chong Kin Group Holdings Limited (a company listed on the Main Board of the Stock Exchange, stock code: 1609) (“**Chong Kin**”) holding 75% of the issued share capital of Chong Kin. Further, Mr. Zhang is a shareholder of WE Solutions Limited (a company listed on the Main Board of the Stock Exchange and formerly known as Ming Fung Jewellery Group Limited and O Luxe Holdings Limited, stock code: 860) (“**WE Solutions**”) holding approximately 0.04% of the issued share capital of WE Solutions. He has held directorship in a number of companies listed on the Stock Exchange, including Chong Kin and WE Solutions. For details of his biography, please refer to the paragraph headed “Proposed change of board composite of the Company” in this letter below.

INTENTION OF THE OFFEROR IN RELATION TO THE COMPANY

The Offeror noted from the Company’s announcement dated 11 June 2018 that the Company had received a letter (the “**Letter**”) dated 8 June 2018 from the Stock Exchange pursuant to which the Stock Exchange considered that the Company had failed to maintain a sufficient level of operations or have tangible assets of sufficient value and/or intangible assets for which a sufficient potential value can be demonstrated to warrant the continued listing of its Shares on the Stock Exchange. The Stock Exchange had therefore decided to suspend trading in the Shares under Rule 6.01(3) and place the Company in the first delisting stage pursuant to Practice Note 17 of the Listing Rules (the “**Decision**”). The Company is required to submit a resumption proposal to demonstrate that it has a sufficient level of operations or assets as required by Rule 13.24 of the Listing Rules on or before 23 November 2018.

LETTER FROM OPTIMA CAPITAL

The Offeror further noted from the Company's announcement dated 15 June 2018 that on 15 June 2018, the Company had submitted a written request to the Listing Committee of the Stock Exchange for the Decision to be referred to the Listing Committee for review (the "**Review Request**") pursuant to Rule 2B.06(1) of the Listing Rules.

Following the close of the Offer, the Offeror intends to continue the existing principal business of the Group in the sourcing, subcontracting, marketing and selling of outerwear garments and sportswear products, and property investment. The Offeror will conduct a review on the business operations and financial position of the Group and, based on the results of the review and taking into account of the Decision and the outcome of the Review Request, formulate a business plan suited for the Group and identify suitable investments and business opportunities for the Group to optimise its growth potential. The Offeror shall also review the management structure and manpower of the Group with a view to better allocating the human resources of the Group in pursuit of the business plan formulated by the Offeror.

Save for the potential changes to the members of the Board as described below, as at the Latest Practicable Date, the Offeror has no current intention or concrete plan for any acquisition or disposal of the existing assets or business of the Group; and has no intention to discontinue the employment of any employees of the Group or redeploy the fixed assets of the Company other than those in its ordinary and usual course of business.

PROPOSED CHANGE OF BOARD COMPOSITION OF THE COMPANY

As at the Latest Practicable Date and based on information disclosed by the Company in the official website of the Stock Exchange, the Board comprises Mr. Zhou Xinyu and Ms. Niu Fang as executive Directors; and Ms. Ni Lijun, Mr. Shen Guoquan and Mr. Chen Jianjun as independent non-executive Directors.

The Offeror intends to nominate five new Directors to the Board with effect from the time as allowed under the Takeovers Code. Any such appointment will be made in compliance with the Takeovers Code and the Listing Rules.

The biography of the proposed Directors are set out below:

Executive Directors

Mr. Zhang, aged 46, has substantial experience in project investment and corporate management. Mr. Zhang is the controlling shareholder of the Company and Chong Kin and has held directorship in a number of companies listed on the Stock Exchange. From August 2012 to April 2014, Mr. Zhang was an executive director of Synertone Communication Corporation (a company listed on the Stock Exchange, stock code: 1613). From January 2015 to June 2015, Mr. Zhang served as an executive director and the chief executive officer of WE Solutions. From June 2015 to November 2017, Mr. Zhang served as an executive director and the chairman of WE Solutions. Currently, Mr. Zhang serves as a non-executive director and the co-chairman of WE Solutions as well as an executive director and the chairman of the board of Chong Kin. Mr. Zhang obtained his bachelor's degree in arts from Guangzhou Institute of Foreign Languages in June 1994.

LETTER FROM OPTIMA CAPITAL

Mr. Chau Tien Hsiang (“**Mr. Chau**”), aged 48, has over 15 years of experience in financial management. Mr. Chau has been the chief financial officer (“**CFO**”) of four companies listed on the Stock Exchange. From January 2012 to September 2013, Mr. Chau was the CFO of GCL-Poly Energy Holdings Limited (a company listed on the Stock Exchange, stock code: 3800). From April 2014 to July 2015, Mr. Chau was the CFO of GCL New Energy Holdings Limited (stock code: 451). From February 2017 to September 2017, Mr. Chau was the CFO of ENN Energy Holdings Limited (a company listed on the Stock Exchange, stock code: 2688). Mr. Chau is currently the CFO of Chong Kin. Mr. Chau obtained his master’s degree in business administration from Massachusetts Institute of Technology in June 2001 and completed the executive programme in dynamic corporate strategy at Stanford University in September 2004 and the programme on negotiation for senior executives at Harvard Law School, Harvard University in June 2006.

Independent non-executive Directors

Ms. Yang Yanli (“**Ms. Yang**”), aged 47, has substantial experience in media management. Prior to joining the Group, Ms. Yang was the vice general manager of Planning and Publicizing Centre of Guangzhou Government and Guangzhou KAM-YIK Public Relations Agency. Since 2014, Ms. Yang has been a director of Guangzhou Holly’s International Auction Company Limited. Ms. Yang obtained her bachelor’s degree in education management from the Guangzhou University in July 2000.

Mr. Chow Hiu Tung (“**Mr. Chow**”), aged 46, has over 20 years of experience in accounting and internal control. From October 2013 to March 2015, Mr. Chow was an independent non-executive director of National United Resources Holdings Limited (a company listed on the Stock Exchange and formerly known as China Outdoor Media Group Limited, stock code: 254). Mr. Chow is currently an independent non-executive director of Future Bright Mining Holdings Limited (a company listed on the Stock Exchange, stock code: 2212). Mr. Chow obtained his bachelor’s degree in business administration in finance from Hong Kong University of Science and Technology in November 1995 and obtained his master’s degree in international business in December 2001 from the University of Sydney, Australia. Mr. Chow has been a member of the Hong Kong Institute of Certified Public Accountants (formerly known as the Hong Kong Society of Accountants) since January 1999. Mr. Chow has also been a member of the Association of Chartered Certified Accountants since April 2000 and was admitted as its fellow member in April 2005.

LETTER FROM OPTIMA CAPITAL

Mr. Zhao Hangen (“**Mr. Zhao**”), aged 51, has substantial professional legal experience. Mr. Zhao is proficient in civil law theory and jurisprudence, good at contract, corporate, finance, construction, real estate, investment, competition, intellectual property, international arbitration, labor law litigation and non-litigation cases. Mr. Zhao was a legal director at Nanyue Law Office of Guangdong and Guangdong Bowen Law Office, management committee member of Guangdong Fazhishengbang Law Office. Mr. Zhao is currently a partner at Kings Law Firm in Guangdong, an arbitrator at China International Economic and Trade Arbitration Commission, Arbitration Centre Across the Straits, China Guangzhou Arbitration Commission, and Shantou Arbitration Commission, and a director of Arbitration Legal Affairs Committee of the Guangzhou Lawyers Association. Mr. Zhao obtained his bachelor’s degree in law majoring in economic law from the Renmin University of China Law School in July 1989. In January 2005, Mr. Zhao obtained his master’s degree in law majoring in economic law from Renmin University of China Law School.

PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY

The Offeror intends to maintain the listing of the Shares on the Stock Exchange.

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25%, of the issued Shares are held by the public, or if the Stock Exchange believes that:

- (a) a false market exists or may exist in the trading of the Shares; or
- (b) there are insufficient Shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend dealings in the Shares.

The sole director of the Offeror and the new Directors to be appointed to the Board have jointly and severally undertaken to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares.

COMPULSORY ACQUISITION

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

GENERAL

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

The attention of the Overseas Shareholders is drawn to the section headed “7. Overseas Shareholders” in Appendix I to this Offer Document.

LETTER FROM OPTIMA CAPITAL

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

All documents and remittances will be sent to the Shareholders by ordinary post at their own risk. Such documents and remittances will be sent to the Shareholders at their respective addresses as appeared in the register of members of the Company or in the case of joint Shareholders, to the Shareholder whose name appears first in the said register of members of the Company. None of the Offeror, Optima Capital, the Registrar, or any of their respective directors or professional advisers or any other parties involved in the Offer will be responsible for any loss or delay in transmission or any other liabilities that may arise as a result thereof.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Offer Document and the accompanying Form of Acceptance, which form part of this Offer Document.

Yours faithfully,
For and on behalf of
Optima Capital Limited
Beatrice Lung
Managing Director

1. GENERAL PROCEDURES FOR ACCEPTANCE OF THE OFFER

To accept the Offer, you should complete and sign the accompanying Form of Acceptance in accordance with the instructions printed thereon, which form part of the terms of the Offer.

- (a) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in your name, and you wish to accept the Offer in respect of your Shares (whether in full or in part), you must send the Form of Acceptance duly completed and signed together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof), to the Registrar, Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong marked "State Energy Group International Assets Holdings Limited – Offer" on the envelope as soon as possible but in any event so as no later than 4:00 p.m. on the Closing Date or such later time(s) and/or date(s) as the Offeror may determine and announce in accordance with the Takeovers Code.
- (b) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Offer in respect of all or part of your Shares, you must either:
 - (i) lodge your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares with the nominee company, or other nominee, with instructions authorising it to accept the Offer on your behalf and requesting it to deliver the Form of Acceptance duly completed and signed together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) for the number of Shares in respect of which you intend to accept the Offer to the Registrar in an envelope marked "State Energy Group International Assets Holdings Limited – Offer"; or
 - (ii) arrange for the Shares to be registered in your name by the Company through the Registrar, and deliver the Form of Acceptance duly completed and signed together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares to the Registrar in an envelope marked "State Energy Group International Assets Holdings Limited – Offer"; or

- (iii) if your Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees Limited to accept the Offer on your behalf on or before the deadline set by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or
 - (iv) if your Shares have been lodged with your investor participant's account maintained with CCASS, authorise your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set by HKSCC Nominees Limited.
- (c) If the share certificate(s) and/or transfer receipt(s) and/or any other documents of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the Offer in respect of your Shares, the Form of Acceptance should nevertheless be completed, signed and delivered in an envelope marked "State Energy Group International Assets Holdings Limited – Offer" to the Registrar together with a letter stating that you have lost one or more of your share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares or that it is/they are not readily available. If you find such document(s) or if it/they become(s) available, the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares should be forwarded to the Registrar as soon as possible thereafter. If you have lost the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title in respect of your Shares, you should also write to the Registrar for a letter of indemnity which, when completed in accordance with the instructions given, should be returned to the Registrar. The Offeror shall have the absolute discretion to decide whether any Shares in respect of which the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title is/are not readily available and/or is/are lost will be taken up by the Offeror.
- (d) If you have lodged transfer(s) of any of your Shares for registration in your name and have not yet received your share certificate(s), and you wish to accept the Offer in respect of your Shares, you should nevertheless complete and sign the Form of Acceptance and deliver it in an envelope marked "State Energy Group International Assets Holdings Limited – Offer" to the Registrar together with the transfer receipt(s) duly signed by yourself. Such action will constitute an irrevocable authority to the Offeror and/or Optima Capital and/or their respective agent(s) to collect from the Company or the Registrar on your behalf the relevant

share certificate(s) when issued and to deliver such share certificate(s) to the Registrar on your behalf and to authorise and instruct the Registrar to hold such share certificate(s), subject to the terms and conditions of the Offer, as if it was/they were delivered to the Registrar with the Form of Acceptance.

- (e) Acceptance of the Offer will be treated as valid only if the completed and signed Form of Acceptance is received by the Registrar by no later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and announce with the consent of the Executive in accordance with the Takeovers Code and the Registrar has recorded that the acceptance and the relevant documents as required by the Takeovers Code have been so received, and is:
- (i) accompanied by the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares and, if that/those share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) is/are not in your name, such other document(s) (e.g. a duly stamped transfer of the relevant Share(s) in blank or in favour of the acceptor executed by the registered holder) in order to establish your right to become the registered holder of the relevant Shares; or
 - (ii) from a registered Shareholder or his/her personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Shares which are not taken into account under another sub-paragraph of this paragraph (e)); or
 - (iii) certified by the Registrar or the Stock Exchange.
- (f) If the Form of Acceptance is executed by a person other than the registered Shareholder, appropriate documentary evidence of authority (for example, grant of probate or certified copy of a power of attorney) to the satisfaction of the Registrar must be produced.
- (g) In Hong Kong, seller's ad valorem stamp duty arising in connection with acceptances of the Offer will be payable by each accepting Shareholder at a rate of 0.1% of the consideration payable by the Offeror in respect of the relevant acceptances of the Offer, or if higher, the market value of Offer Shares as determined by the Collector of Stamp Revenue under the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong), and will be deducted from the cash amount payable by the Offeror to such Shareholder on acceptance of the Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of relevant accepting Shareholders and will pay the buyer's ad valorem stamp duty in connection with the acceptances of the Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

- (h) No acknowledgement of receipt of any Form of Acceptance, share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares will be given.

2. ACCEPTANCE PERIOD AND REVISIONS

- (a) Unless the Offer has previously been revised or extended with the consent of the Executive or otherwise in accordance with the Takeovers Code, to be valid, the Form of Acceptance must be received by the Registrar in accordance with the instructions printed thereon by 4:00 p.m. on the Closing Date.
- (b) The Offeror reserves the right to revise the terms of or extend the Offer after the despatch of this Offer Document until such day as they may determine and in accordance with the Takeovers Code. If the Offeror revises the terms of the Offer, all the Shareholders, whether or not they have already accepted the Offer, will be entitled to accept the revised Offer under the revised terms.
- (c) If the Offer is extended or revised, the Offeror will issue an announcement in relation to any extension or revision of the Offer, which announcement will state either the next closing date (a date not less than fourteen (14) days following the posting of the revised announcement) or, a statement that the Offer will remain open until further notice. In the latter case, at least fourteen (14) days' notice in writing must be given before the Offer is closed to those Shareholders who have not accepted the Offer.
- (d) If the Closing Date is extended, any reference in this Offer Document and in the Form of Acceptance to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the subsequent Closing Date of the Offer so extended.
- (e) Any acceptance of the relevant revised Offer shall be irrevocable unless and until the Shareholders who accept the Offer become entitled to withdraw their acceptance under the paragraph headed "5. Right of withdrawal" in this Appendix I below and duly do so.

3. NOMINEE REGISTRATION

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

4. ANNOUNCEMENTS

- (a) By 6:00 p.m. on the Closing Date (or such later time and/or date as the Executive may in exceptional circumstances permit), the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the revision, extension or expiry of the Offer. The Offeror must publish an announcement in accordance with the Takeovers Code and/or the Listing Rules on the Stock Exchange's website by 7:00 p.m. on the Closing Date stating, amongst other information required under Rule 19.1 of the Takeovers Code, whether the Offer has been revised, extended or expired.
- (b) The announcement will state, among other matters, the following:
 - (i) the total number of Offer Shares for which acceptances of the Offer have been received;
 - (ii) the total number of Shares held, controlled or directed by the Offeror and parties acting in concert with it before the Offer Period;
 - (iii) the total number of Shares acquired or agreed to be acquired during the Offer Period by the Offeror and parties acting in concert with it;
 - (iv) details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror or any parties acting in concert with it has borrowed or lent, save for any borrowed securities which have been either on-lent or sold; and
 - (v) the percentages of the issued share capital of the Company and the percentages of voting rights of the Company represented by these relevant numbers.
- (c) In computing the total number of Shares represented by acceptances as of the Closing Date, only acceptances which have been duly completed and in compliance with Note 1 to Rule 30.2 of the Takeovers Code, which have been received by the Registrar, no later than 4:00 p.m. on the Closing Date shall be included.
- (d) If the Offeror, the parties acting in concert with it or its advisers make any statement about the level of acceptances or the number or percentage of accepting Shareholders during the Offer Period, then the Offeror must make an immediate announcement in compliance with Note 2 to Rule 19 of the Takeovers Code.
- (e) As required under the Takeovers Code and the Listing Rules, any announcement in relation to the Offer, in respect of which the Executive and the Stock Exchange have confirmed that they have no further comments, will be made in accordance with the requirements of the Takeovers Code and the Listing Rules, where appropriate.

5. RIGHT OF WITHDRAWAL

- (a) As the Offer is unconditional in all respects, acceptances of the Offer shall be irrevocable and cannot be withdrawn, except in the circumstances set out in the following paragraph.
- (b) In the circumstances set out in Rule 19.2 of the Takeovers Code (which is to the effect that if the Offeror is unable to comply with any of the requirements of making announcements relating to the Offer as described in the paragraph headed “4. Announcements” in this Appendix I above, the Executive may require that accepting Shareholders be granted a right of withdrawal, on terms acceptable to the Executive, until such requirements set out in that section can be met).
- (c) If an accepting Shareholder withdraws the acceptance, the Offeror shall, as soon as possible but in any event within ten (10) days thereof, return by ordinary post the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the Shares lodged with the accompanying Form of Acceptance to the relevant accepting Shareholders.

6. SETTLEMENT OF THE OFFER

Provided that a valid Form of Acceptance and the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the relevant Shares as required by the Takeovers Code are duly completed and in all respects and have been received by the Registrar by not later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code, a cheque for the amount due to each of the accepting Shareholders, less seller’s ad valorem stamp duty, in respect of the Offer Shares tendered by him/her under the Offer, will be despatched to such Shareholder by ordinary post at his/her own risk as soon as possible but in any event within seven (7) Business Days after the date on which the duly completed and valid acceptances of the Offer and the relevant document(s) of title in respect of such acceptances are received by the Registrar to render each such acceptance complete and valid.

Settlement of the consideration to which any accepting Shareholder is entitled under the Offer will be paid by the Offeror in full in accordance with the terms of the Offer (save with respect to the payment of seller’s ad valorem stamp duty in respect of the Offer) without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such accepting Shareholder.

No fraction of a cent will be payable and the amount of consideration payable to an accepting Shareholder will be rounded up to the nearest cent.

7. OVERSEAS SHAREHOLDERS

The Offeror intends to make the Offer available to all Shareholders, including those who are not residents in Hong Kong. The making and the implementation of the Offer to Shareholders who are citizens or residents or nationals of jurisdiction outside Hong Kong may be subject to the laws of the relevant overseas jurisdictions in which such Shareholders are located. Such Overseas Shareholders should inform themselves about and observe any applicable legal requirements and restrictions in their own jurisdictions, and where necessary, seek independent legal advice in respect of the Offer. It is the responsibility of such Overseas Shareholders who have registered addresses outside Hong Kong and wish to accept the Offer to satisfy themselves as to the full observance of the applicable laws and regulations of the relevant jurisdiction in connection therewith (including the obtaining of any governmental, exchange control or other consent or registration or filing which may be required or the compliance with other necessary formalities, regulatory and/or legal requirements and the payment of any transfer or other taxes payable by such accepting Shareholders in such jurisdiction).

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

8. TAX IMPLICATIONS

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, parties acting in concert with the Offeror, Optima Capital, and their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any person or persons as a result of their acceptance or rejection of the Offer.

9. GENERAL

- (a) All communications, notices, Form of Acceptance, share certificates, transfer receipts (as the case may be), other document(s) of title and/or any satisfactory indemnity or indemnities required in respect thereof and remittances to settle the consideration payable under the Offer to be delivered by or sent to or from the Shareholders will be delivered by or sent to or from them, or their designated agents, by ordinary post at their own risk, and none of the Offeror, its ultimate beneficial owners and parties acting in concert with any of them, Optima Capital, the Registrar, any of their respective directors, officers, advisers, associates, agents or any persons involved in the Offer will be responsible for any loss or delay in transmission of such documents and remittances or any other liabilities that may arise as a result thereof.
- (b) The provisions set out in the accompanying Form of Acceptance form part of the terms and conditions of the Offer to which it relates.

- (c) The accidental omission to despatch this Offer Document and/or accompanying Form of Acceptance or any of them to any person to whom the Offer is made will not invalidate the Offer in any way.
- (d) The Offer and all acceptances are governed by and shall be construed in accordance with the laws of Hong Kong.
- (e) Due execution of a Form of Acceptance will constitute an authority to the Offeror, Optima Capital or such person or persons as the Offeror may direct to complete, amend and execute any document on behalf of the person or persons accepting the Offer and to do any other act that may be necessary or expedient for the purposes of vesting in the Offeror or such person or persons as the Offeror may direct, the Shares in respect of which such person or persons has accepted the Offer.
- (f) Acceptance of the Offer by any person or persons will be deemed to constitute a warranty by such person or persons to the Offeror and Optima Capital that (i) the Shares held by the such person or persons are sold to the Offeror free from all encumbrances and together with all rights accruing or attaching thereto or subsequently becoming attached to them, including, without limitation, the rights to receive all future dividends and/or other distributions declared, paid or made, if any, on or after the date on which the Offer is made, being the date of posting of this Offer Document; and (ii) such person or persons have not taken or omitted to take any action which will or may result in the Offeror, Optima Capital or any other person acting in concert with it in breach of the legal or regulatory requirements of any territory in connection with the Offer or the acceptance thereof, and is/are permitted under all applicable laws to receive and accept the Offer, and any revision thereof, and that such acceptance is valid and binding in accordance with all applicable laws. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, the above representations and warranties.
- (g) Acceptance of the Offer by any nominee will be deemed to constitute a warranty by such nominee to the Offeror that the number of Shares in respect of which as indicated in the Form of Acceptance is the aggregate number of Shares held by such nominee for such beneficial owner who is accepting the Offer.
- (h) References to the Offer in this Offer document and in the accompanying Form of Acceptance include any extension or revision thereof.
- (i) In making their decision, Shareholders must rely on their own examination of the Offeror, the Group and the terms of the Offer, including the merits and risks involved. The contents of this Offer Document, including any general advice or recommendation contained herein together with the accompanying Form of Acceptance, shall not be construed as legal, business or other advice on the part of the Offeror, its ultimate beneficial owners, the Company, Optima Capital. The Shareholders should consult their own professional advisers for professional advice.

- (j) Unless otherwise expressly stated in this Offer Document and/or the accompanying Form of Acceptance, no one other than the Offeror and the relevant accepting Shareholder may enforce any terms of the contract that will arise on delivery of the relevant Form of Acceptance, duly completed and executed, under the Contracts (Rights of Third Parties) Ordinance, Cap. 623 of the Laws of Hong Kong.

1. RESPONSIBILITY STATEMENT

This Offer Document includes particulars given in compliance with the Takeovers Code for the purpose of giving information to the Shareholders with regard to the Offeror and the Offer.

The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this Offer Document, and confirm having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Offer Document have been arrived at after due and careful consideration and there are no other facts not contained in this Offer Document, the omission of which would make any statement contained in this Offer Document misleading.

The information relating to the Group in this Offer Document has been extracted from or based on the publicly available information of the Group. The only responsibility accepted by the Offeror and its directors in respect of such information is for the correctness and fairness of the extraction of such information and/or its reproduction or presentation.

2. MARKET PRICES

The table below shows, based on the publicly available information of the Company, the closing price of the Shares quoted on the Stock Exchange on (i) the last day on which trading took place in each of the calendar months during the Relevant Period; (ii) the Last Trading Day; and (iii) the Latest Practicable Date.

Date	Closing price per Share (HK\$)
2018	
28 February 2018	0.450
29 March 2018	0.405
30 April 2018	0.465
31 May 2018	0.435
29 June 2018	0.205
31 July 2018	0.171
22 August 2018 (Last Trading Day)	0.169
31 August 2018	0.250
7 September 2018 (Latest Practicable Date)	0.400

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the Relevant Period were HK\$0.5300 per Share on 9 March 2018 and HK\$0.1610 per Share on 8 August 2018.

3. DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, the Offeror and parties acting in concert with it held 546,448,493 Shares, representing approximately 70.47% of the Shares in issue.

The Offeror confirms that as at the Latest Practicable Date:

- (a) save for the Sale Shares held by the Offeror, none of the Offeror and any person acting in concert with it owned or had control or direction over any voting rights or rights over the Shares, derivatives, warrants or other securities convertible into Shares;
- (b) none of the Offeror and parties acting in concert with it had received any irrevocable commitment to accept or reject the Offer;
- (c) there was no outstanding derivative in respect of securities in the Company which has been entered into by the Offeror or any person acting in concert with it;
- (d) there was no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the securities of the Company and which might be material to the Offer;
- (e) there was no agreement or arrangement to which the Offeror and/or parties acting in concert with it was a party which related to circumstances in which it might or might not invoke or seek to invoke a pre-condition or a condition to the Offer;
- (f) none of the Offeror and parties acting in concert with it had borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (g) there was no agreement, arrangement or understanding (including any compensation arrangement) existing between the Offeror or any person acting in concert with it and the Directors, recent Directors, Shareholders, or recent Shareholders (including the Vendor) having any connection with or dependence upon the Offer;
- (h) other than the consideration payable under the Agreement, there was no other consideration, compensation or benefits in whatever form provided by the Offeror or parties acting in concert with it to the Vendor or parties acting in concert with it (including the Receivers);
- (i) there was no special deal (under Rule 25 of the Takeovers Code) between the Offeror and parties acting in concert with it on one hand and the Vendor and parties acting in concert with it (including the Receivers) on the other hand;

- (j) save for the Sale Shares and the Shares to be acquired by the Offeror under the Offer which will be pledged to Dongxing as security for the loan facility to finance the Offer, the securities to be acquired under the Offer will not be transferred, charged or pledged to any other persons;
- (k) save for the Sale Shares held by the Offeror, the sole director of the Offeror is not otherwise interested in any other securities in the Company;
- (l) there were no benefits which would be given to any Director as compensation for loss of office or otherwise in connection with the Offer; and
- (m) save for the acquisition of the Sales Shares pursuant to the Agreement, the Offeror and parties acting in concert with it had not dealt for value in the Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the Relevant Period.

4. EXPERT AND CONSENT

The following is the qualification of the expert whose letter or opinion is contained in this Offer Document:

Name	Qualifications
Optima Capital	a corporation licensed to carry on type 1(dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO

Optima Capital has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion of the text of its letter or report and/or opinion and references to its name in the form and context in which they are respectively included.

5. GENERAL

- (a) The registered office of the Offeror is at Portcullis Chambers, 40 Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, British Virgin Islands, VG1110.
- (b) The Offeror is a company incorporated in the British Virgin Islands on 26 March 2007 with limited liability which is owned by Mr. Zhang as to 100%. The principal activity of the Offeror is investment holding.
- (c) The sole director of the Offeror is Mr. Zhang.
- (d) The principal members of the Offeror's concert parties include the Offeror and Mr. Zhang.
- (e) The correspondence address of Mr. Zhang (who is a director and the beneficial owner of the Offeror) is Flat 9B, 27 Repulse Bay Road, Hong Kong.

- (f) The registered and correspondence office address of Optima Capital is Suite 1501, 15th Floor, Jardine House, 1 Connaught Place, Central, Hong Kong.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection on the website of the SFC at <http://www.sfc.hk>, the website of the Stock Exchange at <http://www.hkexnews.hk> and the website of the Company at <http://www.seiah.com/> from the date of this Offer Document for as long as the Offer remains open for acceptance:

- (a) the memorandum and articles of association of the Offeror;
- (b) the letter of consents from Optima Capital referred to in the paragraph headed “Expert and Consent” in this Appendix; and
- (c) the letter from Optima Capital, the text of which is set out on pages 5 to 13 of this Offer Document.