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GOOD FRIEND (H.K.) CORPORATION LIMITED **GOOD FRIEND INTERNATIONAL HOLDINGS INC.**
(Incorporated in the Hong Kong with limited liability)

友佳國際控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2398)

JOINT ANNOUNCEMENT

(1) PROPOSAL FOR THE PRIVATISATION OF GOOD FRIEND INTERNATIONAL HOLDINGS INC. BY THE OFFEROR BY WAY OF A SCHEME OF ARRANGEMENT (UNDER SECTION 86 OF THE COMPANIES ACT)

(2) PROPOSED WITHDRAWAL OF LISTING

(3) RESULTS OF THE COURT MEETING AND THE EGM

AND

(4) CLOSURE OF REGISTER OF MEMBERS

Financial Adviser to the Offeror

UOBKayHian

Independent Financial Adviser to the Independent Board Committee



SOMERLEY CAPITAL LIMITED

RESULTS OF THE COURT MEETING AND THE EGM

On Tuesday, 30 November 2021, the resolution to approve the Scheme was approved by the Scheme Shareholders present and voting either in person or by proxy at the Court Meeting.

On Tuesday, 30 November 2021, (a) the special resolution to approve the reduction of the issued share capital of the Company by the cancellation and extinguishment of the Scheme Shares; (b) the special resolution to approve the withdrawal of the listing of the Shares from the Stock Exchange and the withdrawal of the listing of the TDRs from the Taiwan Stock Exchange upon the Scheme becoming effective; and (c) the ordinary resolution to approve, subject to and simultaneously with the cancellation and extinguishment of the Scheme Shares referred to in (a) above, the restoration of the number of issued shares in the share capital of the Company to its former amount immediately prior to the cancellation and extinguishment of the Scheme Shares by allotting and issuing to the Offeror, credited as fully paid at par, the same number of Shares as is equal to the number of Scheme Shares cancelled and extinguished, were approved by the Shareholders present and voting either in person or by proxy at the EGM.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the entitlements of the Scheme Shareholders under the Scheme, the register of members of the Company will be closed from Tuesday, 7 December 2021 (or such other date as the Shareholders may be notified by way of an announcement) onwards, during which period no transfer of Shares will be effected.

INTRODUCTION

Reference is made to the scheme document jointly issued by Good Friend (H.K.) Corporation Limited (the “**Offeror**”) and Good Friend International Holdings Inc. (the “**Company**”) dated 21 October 2021 (the “**Scheme Document**”) in relation to, among other things, the proposed privatisation of the Company by the Offeror by way of a scheme of arrangement under Section 86 of the Companies Act. Unless the context requires otherwise, capitalised terms used herein shall bear the same meaning as defined in the Scheme Document.

RESULTS OF THE COURT MEETING

The Court Meeting was held at 35th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Tuesday, 30 November 2021, at 10:00 a.m. for the purpose of considering and, if thought fit, approving the Scheme.

In compliance with both Section 86 of the Companies Act and Rule 2.10 of the Takeovers Code, the approval required to be obtained at the Court Meeting in respect of the Scheme would be regarded as obtained if:

- (i) the Scheme was approved (by way of poll) by a majority in number of the Scheme Shareholders representing not less than 75% in value of the Scheme Shares held by the Scheme Shareholders present and voting either in person or by proxy at the Court Meeting;

- (ii) the Scheme was approved (by way of poll) by Independent Shareholders holding at least 75% of the votes attaching to the Scheme Shares held by the Independent Shareholders that are voted either in person or by proxy at the Court Meeting; and
- (iii) the number of votes cast (by way of poll) by the Independent Shareholders present and voting either in person or by way of proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all the Scheme Shares held by all the Independent Shareholders.

The poll results in respect of the resolution to approve the Scheme at the Court Meeting were as follows:

	Number of votes (Approximate %)		
	Total	For	Against
Number of Scheme Shareholders who attended and voted either in person or by proxy at the Court Meeting (<i>Note 1, 2</i>)	79 (100%)	71 (89.87%)	8 (10.13%)
Number of Scheme Shares held by the Scheme Shareholders who were present and voting either in person or by proxy at the Court Meeting	70,116,693 (100%) (<i>Note 4</i>)	65,943,195 (94.05%)	4,173,498 (5.95%)
Number of Scheme Shares held by the Independent Shareholders who were present and voting either in person or by proxy at the Court Meeting	70,116,693 (100%) (<i>Note 4</i>)	65,943,195 (94.05%)	4,173,498 (5.95%)
Number of TDRs with underlying Scheme Shares represented by the relevant units of TDRs held by the Independent TDR Holders who voted through the Depository Agent in accordance with the voting procedures specified in the Scheme Document	8,572,843 Scheme Shares represented by 8,572,843 units of TDRs (100%) (<i>Note 5</i>)	5,194,595 Scheme Shares represented by 5,194,595 units of TDRs (60.6%)	3,378,248 Scheme Shares represented by 3,378,248 units of TDRs (39.4%)
Approximate percentage of number of Scheme Shares voted by the Independent Shareholders and Independent TDR Holders over the number of votes attaching to all Scheme Shares held by all the Independent Shareholders and Independent TDR Holders	47.36%	44.54%	2.82%

Independent Shareholders and Independent TDR Holders holding an aggregate of 4,173,498 Scheme Shares, representing approximately 2.82% of the votes attaching to all the 148,044,200 Scheme Shares held by all the Independent Shareholders and Independent TDR Holders, voted against the resolution to approve the Scheme.

Notes:

- (1) In accordance with the direction from the Grand Court, HKSCC Nominees is permitted to vote once for and once against the Scheme in accordance with the instructions received by it from the Investor Participants and other CCASS Participants. For the purpose of the headcount test, if HKSCC Nominees receives an instruction to vote both for and against the Scheme, it will be counted as one Shareholder under “for” and as one Shareholder under “against”.
- (2) The figure includes the vote by HKSCC Nominees who voted both “for” and “against” the Scheme and is counted as one Shareholder under both “for” and “against” for the headcount test.
- (3) All percentages are rounded to 2 decimal places.
- (4) The figure includes the 8,572,843 Scheme Shares (represented by 8,572,843 units of TDRs) held by the Independent TDR Holders who voted through the Depository Agent.
- (5) The figure excludes the 12,350 Scheme Shares (represented by 12,350 units of TDRs) held by the Independent TDR Holders who had lodged voting instructions with the Depository Agent but did not cast any vote.

Accordingly, at the Court Meeting,

- (a) the resolution proposed at the Court Meeting to approve the Scheme was duly passed (by way of poll) by:
 - (i) a majority in number of the Scheme Shareholders representing not less than 75% in value of the Scheme Shares held by the Scheme Shareholders present and voting either in person or by proxy at the Court Meeting;
 - (ii) at least 75% of the votes attaching to the Scheme Shares held by the Independent Shareholders that were voted either in person or by proxy at the Court Meeting; and
- (b) the number of votes cast (by way of poll) by Independent Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all Scheme Shares held by all Independent Shareholders.

Therefore, both Section 86 of the Companies Act and Rule 2.10 of the Takeovers Code have been complied with.

As at the date of the Court Meeting, the total number of Shares in issue was 403,074,000 Shares (comprising 345,201,000 Shares and 57,873,000 units of TDRs) and the total number of Shares entitling the Independent Shareholders and Independent TDR Holders to attend and vote for or against the Scheme at the Court Meeting was 148,044,200 Shares, representing approximately 36.73% of the issued share capital of the Company.

As at the date of the Court Meeting, the Offeror held 232,000,000 Shares, representing approximately 57.56% of the issued share capital of the Company. The Offeror Concert Parties were interested in an aggregate of 23,029,800 Shares, representing approximately 5.71% of the issued share capital of the Company. The Offeror and the Offeror Concert Parties were interested in an aggregate of 255,029,800 Shares, representing an aggregate of approximately 63.27% of the issued share capital of the Company. Such Shares held by the Offeror and the Offeror Concert Parties did not form part of the Scheme Shares and were not voted on the Scheme at the Court Meeting (except for the 163,800 Shares held by Ms. Wu which formed part of the Scheme Shares and were entitled to be voted on the Scheme at the Court Meeting, but Ms. Wu abstained from voting on the Scheme at the Court Meeting).

Save as disclosed above, no Shareholder was required to abstain from voting at the Court Meeting in accordance with the Companies Act, the Takeovers Code and/or the Listing Rules.

In accordance with the direction from the Grand Court, HKSCC Nominees shall be permitted to vote once for and once against the Scheme in accordance with the instructions received from CCASS Participants for the purposes of determining whether or not the requirement that a majority in number of the Scheme Shareholders approve the Scheme under Section 86(2) of the Companies Act had been satisfied. The number of votes cast in favour of the Scheme and the number of CCASS Participants on whose instructions they were cast, and the number of votes cast against the Scheme and the number of CCASS Participants on whose instructions they were cast will be disclosed to the Grand Court and may be taken into account by the Grand Court in deciding whether or not it should exercise its discretion to sanction the Scheme. A total number of 10 CCASS Participants holding 13,851,795 Scheme Shares voted in favour of the resolution to approve the Scheme and a total number of 2 CCASS Participants holding 4,171,048 Scheme Shares voted against the resolution to approve the Scheme at the Court Meeting.

Tricor Investor Services Limited, the Company's branch share registrar in Hong Kong, acted as the scrutineer for the vote-taking at the Court Meeting.

RESULTS OF THE EGM

The EGM was held at 35th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Tuesday, 30 November 2021, at 11:00 a.m. for the purpose of considering and, if thought fit, passing the special and ordinary resolutions (the "**Resolutions**") as set out in the notice of the EGM dated 21 October 2021.

The poll results in respect of the Resolutions were as follows:

	Number of votes (Approximate %)		
	Total	For	Against
Special Resolutions			
To consider and approve, amongst others, the reduction of the issued share capital of the Company by cancelling and extinguishing the Scheme Shares	351,416,449 (100%)	350,623,649 (99.77%)	792,800 (0.23%)
To consider and approve, amongst others, the withdrawal of the listing of the Shares from the Stock Exchange and the withdrawal of the listing of the TDRs from the Taiwan Stock Exchange upon the Scheme becoming effective	351,416,449 (100%)	350,623,649 (99.77%)	792,800 (0.23%)
Ordinary Resolution			
To consider and approve, amongst others, the increase of the number of issued ordinary shares in the share capital of the Company	351,416,449 (100%)	350,623,649 (99.77%)	792,800 (0.23%)

Notes:

- (1) The full text of the Resolutions is set out in the notice of EGM, which is included in the Scheme Document despatched to the Scheme Shareholders.
- (2) All percentages are rounded to 2 decimal places.

Accordingly, at the EGM,

- (a) the special resolution to approve and give effect to the reduction of the issued share capital of the Company by cancelling and extinguishing the Scheme Share was duly passed by a majority of not less than three-fourths of the votes cast by the Shareholders present and voting in person or by proxy at the EGM;
- (b) the special resolution to approve the withdrawal of the listing of the Shares from the Stock Exchange and the withdrawal of the listing of the TDRs from the Taiwan Stock Exchange upon the Scheme becoming effective was duly passed by a majority of not less than three-fourths of the votes cast by the Shareholders present and voting in person or by proxy at the EGM; and

- (c) the ordinary resolution to, simultaneously with the cancellation and extinguishment of the Scheme Shares referred to in (a) above, restore the number of issued shares in the share capital of the Company to its former amount immediately prior to the cancellation and extinguishment of the Scheme Shares by allotting and issuing to the Offeror, credited as fully paid at par, the same number of Shares as is equal to the number of Scheme Shares cancelled and extinguished was duly passed by a simple majority of the votes cast by the Shareholders present and voting in person or by proxy at the EGM.

As at the date of the EGM, the total number of Shares in issue was 403,074,000 Shares and all Shareholders were entitled to attend and vote at the EGM. There were no Shares entitling the holders thereof to attend where such holders were required to abstain from voting in favour of the Resolutions at the EGM pursuant to Rule 13.40 of the Listing Rules. No Shareholder was required to abstain from voting at the EGM in accordance with the Companies Act, the Takeovers Code and/or the Listing Rules, nor did any person indicate in the Scheme Document that he intended to abstain from voting on or to vote against the Resolutions at the EGM.

Tricor Investor Services Limited, the Company's branch share registrar in Hong Kong, acted as the scrutineer for the vote-taking at the EGM.

CURRENT STATUS OF THE CONDITIONS OF THE PROPOSAL

The implementation of the Proposal is, and the Scheme will become effective and binding on the Company and all Shareholders, subject to the fulfilment or waiver (as applicable) of the Conditions. As at the date of this joint announcement, Conditions (1), (2) and (3) have been fulfilled. None of the other Conditions as set out in the section headed "Conditions of the Proposal" in the Explanatory Statement of the Scheme Document, including among others, the sanction of the Scheme (with or without modifications) by the Grand Court and its confirmation of the reduction of the number of issued Shares in the share capital of the Company, and the delivery to the Registrar of Companies in the Cayman Islands of a copy of the order of the Grand Court for registration, have been fulfilled or waived. Subject to such Conditions being fulfilled or waived (as applicable), the Scheme is expected to become effective on or around Thursday, 9 December 2021 (Cayman Islands time).

PROPOSED WITHDRAWAL OF THE LISTING OF THE SHARES

Subject to the Scheme becoming effective, the withdrawal of the listing of the Shares on the Stock Exchange is expected to take place with effect from 4:00 p.m. on Monday, 13 December 2021. The withdrawal of the listing of the TDRs on the Taiwan Stock Exchange is expected to take place with effect from Monday, 13 December 2021. The Company has applied to the Stock Exchange for the withdrawal of the listing of the Shares from the Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules. As at the date of this joint announcement, the Stock Exchange has approved the application for the withdrawal of the listing of the Shares subject to the Scheme becoming effective. Upon or soon after the publication of this announcement, a notice will be given to the Taiwan Stock Exchange for the withdrawal of the listing of the TDRs on the Taiwan Stock Exchange in accordance with the Operating Rules of the Taiwan Stock Exchange.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the entitlements of the Scheme Shareholders, the register of members of the Company will be closed from Tuesday, 7 December 2021 (or such other date as the Shareholders may be notified by way of an announcement) onwards. No transfer of Shares will be effected from such date onwards.

In order to qualify for entitlements under the Scheme, Scheme Shareholders should ensure that the transfers of Shares to them are lodged with the Share Registrar at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration in their names or in the names of their nominees no later than 4:30 p.m. (Hong Kong time) on Monday, 6 December 2021. For TDR Holders, as the latest time of trading in the TDRs on the Taiwan Stock Exchange is 1:30 p.m. (Taipei time) on Wednesday, 1 December 2021, those who still hold TDRs after 1:30 p.m. (Taipei time) on Wednesday, 1 December 2021 will qualify for entitlements under the Scheme.

EXPECTED TIMETABLE

The timetable set out below is indicative only and is subject to change. Any changes to the timetable will be jointly announced by the Offeror and the Company. Unless otherwise specified, all time and dates refer to Hong Kong local time and dates.

Latest time of trading in the TDRs

on the Taiwan Stock Exchange 1:30 p.m. on Wednesday,
1 December 2021

Latest time of trading in the Shares

on the Stock Exchange 4:10 p.m. on Wednesday,
1 December 2021

Latest time for lodging transfers of Shares in order to qualify for the entitlements under the Scheme	4:30 p.m. on Monday, 6 December 2021
Register of members of the Company in respect of the Shares closed for determining entitlements to qualify under the Scheme (<i>Note 1</i>)	from Tuesday, 7 December 2021 onwards
Court hearing of the petition to sanction the Scheme and to confirm the issued share capital reduction.	Wednesday, 8 December 2021 (Cayman Islands time)
Announcement of the result of the court hearing, the expected Effective Date and the expected date of withdrawal of listing of the Shares on the Stock Exchange and the TDRs on the Taiwan Stock Exchange	Thursday, 9 December 2021
Scheme Record Date	Thursday, 9 December 2021
Effective Date (<i>Note 2</i>)	Thursday, 9 December 2021
(Cayman Islands time)	
Announcement of the Effective Date and the withdrawal of listing of the Shares on the Stock Exchange	Friday, 10 December 2021
Announcement of the withdrawal of listing of the TDRs on the Taiwan Stock Exchange	Friday, 10 December 2021
Expected withdrawal of listing of the Shares on the Stock Exchange becomes effective (<i>Note 3</i>)	4:00 p.m. on Monday, 13 December 2021
Expected withdrawal of listing of the TDRs on the Taiwan Stock Exchange becomes effective	Monday, 13 December 2021

Expected termination of the listing agreement entered into among the Company, the Depository Agent and the Taiwan Stock Exchange. Monday, 13 December 2021

Cheques for cash entitlements under the Scheme to be despatched (*Note 4*). on or before Monday, 20 December 2021

Notes:

1. The register of members of the Company will be closed as from such date and on such date for the purpose of determining the Scheme Shareholders who are qualified for entitlement under the Scheme.
2. When all the Conditions are satisfied or waived (as applicable), a copy of the order of the Grand Court sanctioning the Scheme will be delivered to the Registrar of Companies in the Cayman Islands for registration pursuant to Section 86(3) of the Companies Act, at which point it shall become effective and binding on the Offeror, the Company and all Scheme Shareholders. The Effective Date would be earlier than the date of announcement of the Effective Date and the withdrawal of listing of the Shares on the Stock Exchange due to the time difference between Hong Kong and the Cayman Islands.
3. If all the Conditions are fulfilled (or waived as applicable), the Offeror will implement the Proposal to cancel and extinguish the Scheme Shares.
4. Cheques for the cash entitlements to the Scheme Shareholders will be despatched by ordinary post at the risk of the recipients to their registered addresses shown in the register of members of the Company at the Scheme Record Time on the Scheme Record Date on or before Monday, 20 December 2021.

GENERAL

As at 12 August 2021 (the commencement date of the offer period) and as at the date of this joint announcement, the total number of Shares held or beneficially owned by the Offeror and the Offeror Concert Parties was 255,029,800 Shares, representing approximately 63.27% of the issued Shares. Save for the above, no other Shares were held, controlled or directed by the Offeror or persons acting in concert with it. Neither the Offeror nor the Offeror Concert Parties acquired or agreed to acquire any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares during the offer period.

As at the date of this joint announcement, neither the Offeror nor the Offeror Concert Parties borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

Shareholders and potential investors of the Company should be aware that the implementation of the Proposal and the Scheme are subject to the Conditions being fulfilled or waived, as applicable, and thus the Proposal may or may not be implemented and the Scheme may or may not become effective. Shareholders and potential investors of the Company should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

By order of the board of
Good Friend (H.K.) Corporation Limited
Lin Yung Yin
Director

By order of the board of
Good Friend International Holdings Inc.
Wen Chi-Tang
Director

Hong Kong, 30 November 2021

As at the date of this joint announcement, the directors of the Offeror are Fair Friend Enterprise Company Limited (友嘉實業股份有限公司) and Mr. Lin Yung Yin.*

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

As at the date of this joint announcement, the Board comprises three executive Directors, namely Mr. Chu Chih-Yaung, Mr. Chen Min-Ho and Mr. Wen Chi-Tang and three independent non-executive Directors, namely Mr. Koo Fook Sun, Louis, Mr. Yu Yu-Tang and Mr. Kao Wen-Cheng.

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

* *For identification purposes only*