

Executive Directors:

Mr. Lau Tat Man (*Chairman*)
Ms. Chan Ping, Rita
Mr. Yeung Siu Cheong

Non-executive Directors:

Mr. Yamaguchi Satoshi
Mr. Hatamoto Toru
Mr. Someya Norifumi

Independent Non-executive Directors:

Mr. Lee Kwok Ming
Mr. Loo Kwok Wing
Mr. Yeung Yiu Keung

*Registered Office and Principal Place
of Business in Hong Kong:*

8th floor of D2 Place ONE
No. 9 Cheung Yee Street
Cheung Sha Wan
Kowloon
Hong Kong

6 June 2025

To the Shareholders and Option Holders

Dear Sir or Madam,

**(1) PROPOSAL FOR THE PRIVATISATION OF
TAM JAI INTERNATIONAL CO. LIMITED
BY THE OFFEROR BY WAY OF A SCHEME OF ARRANGEMENT
UNDER SECTION 673 OF THE COMPANIES ORDINANCE
AND
(2) PROPOSED WITHDRAWAL OF LISTING OF
TAM JAI INTERNATIONAL CO. LIMITED**

1. INTRODUCTION

Reference is made to the Announcement.

On 3 February 2025 (after trading hours), the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the privatisation of the Company by way of the Scheme, being a scheme of arrangement under Section 673 of the Companies Ordinance, which, if implemented, would result in the Company becoming wholly-owned by the Offeror and the withdrawal of listing of the Shares from the Stock Exchange.

The purpose of this Scheme Document is to provide you with further information regarding the Proposal, the Option Offer and the Scheme, and to give you notices of the Court Meeting and the EGM (together with proxy forms in relation thereto).

Your attention is also drawn to (i) the letter from the Independent Board Committee set out in Part V of this Scheme Document; (ii) the letter from the Independent Financial Adviser set out in Part VI of this Scheme Document; (iii) the Explanatory Statement set out in Part VII of this Scheme Document; (iv) the terms of the Scheme set out in Appendix III to this Scheme Document; (v) the terms of the Option Offer set out in Appendix VI to this Scheme Document; and (vi) other appendices to this Scheme Document.

2. TERMS OF THE PROPOSAL

2.1 The Proposal

As at the Latest Practicable Date:

- (i) the issued share capital of the Company comprised 1,346,779,890 Shares, including 4,945,100 Shares that were held by Blessing Keen (representing approximately 0.37% of the issued share capital of the Company), of which (a) 2,931,600 Shares were Awarded Shares granted under the Share Award Scheme that were subject to vesting and were held by Blessing Keen on trust for the Share Award Grantees; and (b) 2,013,500 Shares were the Trustee Held Pool Shares;
- (ii) a total of 4,396,410 Share Options were outstanding, including: (i) 681,410 Pre-IPO Share Options granted under the Pre-IPO Share Option Scheme with an exercise price of HK\$0.85 per Share, all of which had vested; and (ii) 3,715,000 Post-IPO Share Options granted under the Post-IPO Share Option Scheme with an exercise price of HK\$2.638 per Share, all of which had vested;
- (iii) other than the 1,346,779,890 Shares in issue and the 4,396,410 Share Options that were outstanding, the Company had no outstanding options, warrants, derivatives, convertible securities or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company that carried a right to subscribe for or which were convertible into the Shares;
- (iv) the Offeror held 1,000,000,000 Shares, representing approximately 74.25% of the issued share capital of the Company. Other than the Shares held by the Offeror and the Daiwa Held Custodian Shares, the Offeror Concert Parties did not hold or beneficially own any Shares. None of the Offeror and the Offeror Concert Parties held or beneficially owned any Awarded Shares or Share Options;
- (v) the Scheme Shares comprised a total 346,779,890 Shares held by the Scheme Shareholders, representing approximately 25.75% of the issued share capital of the Company; and

- (vi) if all of the outstanding Share Options are exercised and the relevant Option Holders have become Scheme Shareholders before the Scheme Record Date, the Scheme Shares would comprise a total of 351,176,300 Shares held by the Scheme Shareholders, representing approximately 25.99% of the enlarged issued share capital of the Company.

Shares held or beneficially owned by the Offeror will not form part of the Scheme Shares. For the avoidance of doubt, the Daiwa Held Custodian Shares will form part of the Scheme Shares.

If the Proposal is approved and implemented:

- (a) all the Scheme Shares held by the Scheme Shareholders will be cancelled and extinguished on the Effective Date in exchange for the payment by the Offeror to the Scheme Shareholders of the Cancellation Price of HK\$1.58 in cash, less the Dividend Adjustment (if any), for each Scheme Share;
- (b) upon the cancellation and extinguishment of the Scheme Shares, the issued share capital of the Company will be restored to its former number by the issuance to the Offeror, credited as fully paid, of the same number of new Shares as the number of Scheme Shares cancelled and extinguished. The reserve created in the Company's books of account as a result of any reduction in issued share capital will be applied to the paying up in full of the new Shares so issued, credited as fully paid, to the Offeror. The Offeror will directly hold 100% of the issued share capital of the Company; and
- (c) the listing of the Shares on the Stock Exchange will be withdrawn with effect after the Effective Date.

2.2 Cancellation Price

Under the Scheme, the Cancellation Price will be in the amount of HK\$1.58 per Scheme Share, which amount (less the Dividend Adjustment (if any)) will be payable by the Offeror to the Scheme Shareholders in the form of cash.

The Offeror will not increase the Cancellation Price and does not reserve the right to do so. Shareholders, Option Holders, Share Award Grantees and potential investors of the Company should be aware that, following the making of this statement, the Offeror will not be allowed under the Takeovers Code to increase the Cancellation Price.

As at the Latest Practicable Date, the Company had not announced or declared any dividend, distribution or other return of capital which remains unpaid. The Company does not intend to announce, declare and, or pay any dividend, distribution or other return of capital before the Effective Date, or the date on which the Scheme is not approved or the Proposal otherwise lapses or is withdrawn (as the case may be).

However, if, after the Latest Practicable Date, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Shares, the Offeror expressly reserves the right to reduce the Cancellation Price by all or any part of the amount or value of such dividend and/or distribution and/or return of capital, as the case may be, per Share after consultation with the Executive, in which case any reference in this Scheme Document or any other announcement or document to the Cancellation Price will be deemed to be a reference to the Cancellation Price as so reduced.

2.3 Comparison of value

The Cancellation Price of HK\$1.58 in cash for every Scheme Share cancelled and extinguished under the Scheme represents:

- (i) a premium of approximately 8.97% over the closing price of HK\$1.450 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a premium of approximately 75.56% over the closing price of HK\$0.900 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a premium of approximately 80.37% over the average closing price of approximately HK\$0.876 per Share based on the daily closing prices as quoted on the Stock Exchange for the 5 trading days up to and including the Last Trading Day;
- (iv) a premium of approximately 88.32% over the average closing price of approximately HK\$0.839 per Share based on the daily closing prices as quoted on the Stock Exchange for the 10 trading days up to and including the Last Trading Day;
- (v) a premium of approximately 96.27% over the average closing price of approximately HK\$0.805 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day;
- (vi) a premium of approximately 98.24% over the average closing price of approximately HK\$0.797 per Share based on the daily closing prices as quoted on the Stock Exchange for the 90 trading days up to and including the Last Trading Day;
- (vii) a premium of approximately 75.75% over the average closing price of approximately HK\$0.899 per Share based on the daily closing prices as quoted on the Stock Exchange for the 180 trading days up to and including the Last Trading Day;
- (viii) a premium of approximately 7.48% over the closing price of HK\$1.470 per Share as quoted on the Stock Exchange on the Resumption Day;

- (ix) a premium of approximately 7.48% over the average closing price of approximately HK\$1.470 per Share based on the daily closing prices as quoted on the Stock Exchange for the 5 trading days from and including the Resumption Day;
- (x) a premium of approximately 7.56% over the average closing price of approximately HK\$1.469 per Share based on the daily closing prices as quoted on the Stock Exchange for the 10 trading days from and including the Resumption Day;
- (xi) a premium of approximately 7.05% over the average closing price of approximately HK\$1.476 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days from and including the Resumption Day;
- (xii) a premium of approximately 6.97% over the average closing price of approximately HK\$1.477 per Share based on the daily closing prices as quoted on the Stock Exchange for the 60 trading days from and including the Resumption Day;
- (xiii) a premium of approximately 47.25% over the unaudited consolidated net asset value per Share attributable to the Shareholders of approximately HK\$1.073 as at 30 September 2024 (calculated based on the unaudited consolidated net asset value of the Company attributable to Shareholders of approximately HK\$1,445.24 million as at 30 September 2024 as extracted from the Company's 2024/25 interim report and 1,346,698,490 Shares (being the number of Shares in issue as at 30 September 2024)); and
- (xiv) a premium of approximately 44.69% over the audited consolidated net asset value per Share attributable to the Shareholders of approximately HK\$1.092 as at 31 March 2025 (calculated based on the audited consolidated net asset value of the Company attributable to Shareholders of approximately HK\$1,470.14 million as at 31 March 2025 as extracted from the Company's annual results announcement for the year ended 31 March 2025 and 1,346,779,890 Shares (being the number of Shares in issue as at 31 March 2025)).

The Cancellation Price has been determined by the Offeror after taking into account, among other things, the following factors:

- (a) the recent and historical prices of the Shares, including (i) the highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the period from 18 February 2024 (being approximately one year prior to the Announcement Date) up to and including the Last Trading Day (the "**Pre-Announcement Period**"), being HK\$1.22 per Share on 27 May 2024, and HK\$0.74 per Share on 14 and 15 November 2024, respectively, (ii) the closing price of HK\$0.90 per Share as quoted on the Stock Exchange on the Last Trading Day, and (iii) the average closing prices of the Shares as quoted on the Stock Exchange for 5, 10, 30, 90 and 180 trading days before and up to the Last Trading Day;

- (b) the relatively low trading volume of the Shares during the Pre-Announcement Period, with the monthly average daily trading volume of the Shares to the total number of issued Shares held by the public being less than 1%; and
- (c) the premiums of the cancellation prices of other privatisation transactions relating to companies listed on the Stock Exchange in recent years.

The Directors (other than those on the Independent Board Committee whose views are set out in the letter from the Independent Board Committee in Part V of this Scheme Document) are of the view that the Cancellation Price is fair and reasonable after taking into account the factors set out in paragraph 4.1 of the section headed “4. *Reasons for and Benefits of the Proposal*” in the Explanatory Statement in Part VII of this Scheme Document, and the above factors.

2.4 Highest and lowest prices

During the Relevant Period, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$1.52 per Share on 9 May 2025, and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.74 per Share on 14 and 15 November 2024.

2.5 The Option Offer

As at the Latest Practicable Date, a total of 4,396,410 Share Options were outstanding under the Share Option Schemes, including:

- (i) 681,410 Pre-IPO Share Options granted under the Pre-IPO Share Option Scheme with an exercise price of HK\$0.85 per Share, all of which had vested; and
- (ii) 3,715,000 Post-IPO Share Options granted under the Post-IPO Share Option Scheme with an exercise price of HK\$2.638 per Share, all of which had vested.

The Pre-IPO Share Option Scheme had automatically terminated upon the Listing and no further Pre-IPO Share Options may be granted by the Company under the Pre-IPO Share Option Scheme.

The Company has no intention to grant further Post-IPO Share Options under the Post-IPO Share Option Scheme between (a) the Announcement Date and (b) (i) the Effective Date or (ii) if the Scheme is not approved or does not become effective, or the Proposal otherwise lapses or is withdrawn, the date on which the Scheme is not approved or does not become effective or the Proposal otherwise lapses or is withdrawn (as the case may be).

To the extent that the outstanding Share Options have not otherwise lapsed, been cancelled or exercised, the Offeror will make (or procure to be made on its behalf) the Option Offer to the Option Holders in accordance with Rule 13 of the Takeovers Code to cancel every outstanding Share Option, conditional upon the Scheme becoming effective.

Upon the Option Offer, the Offeror will offer the Option Holders the “see-through” Option Offer Price (being the Cancellation Price minus the relevant exercise price of the outstanding Share Option) for the cancellation of every Share Option. Where the exercise price of the relevant Share Option exceeds the Cancellation Price, the “see-through” Option Offer Price is zero and a cash offer of a nominal amount of HK\$0.0001 per Share Option will be made by the Offeror for the cancellation of each outstanding Share Option held. In this regard, the relevant Option Offer Price applicable to the Share Options is as follows:

For every Pre-IPO Share Option cancelled HK\$0.73 in cash

For every Post-IPO Share Option cancelled HK\$0.0001 in cash

Further information on the Option Offer is set out in the Option Offer Letter in substantially the form set out in Appendix VI to this Scheme Document.

Details of the Option Holders as at the Latest Practicable Date are set out in the section headed “6. *Shareholding Structure of the Company*” of the Explanatory Statement in Part VII of this Scheme Document.

None of the Offeror or the Offeror Concert Parties held any Share Options as at the Latest Practicable Date.

In the event that any of the outstanding Share Options are exercised on or prior to the Scheme Record Date in accordance with the relevant terms and conditions of the Share Option Schemes, any Shares issued as a result of the exercise of such outstanding Share Options will be subject to and eligible to participate in the Scheme as Scheme Shares.

If any Option Holder does not: (i) exercise his or her outstanding Share Options before the Options Latest Exercise Time to become a Scheme Shareholder before the Scheme Record Date in accordance with the rules of the Share Option Schemes and the Scheme Document; or (ii) accept the Option Offer, his or her Share Options will lapse on the Effective Date in accordance with the rules of the Share Option Schemes without any payment made to him or her if the Scheme becomes effective.

2.6 Awarded Shares subject to vesting under the Share Award Scheme

As at the Latest Practicable Date, there were a total of 4,945,100 Shares held by Blessing Keen (representing approximately 0.37% of the issued share capital of the Company), of which:

- (i) 2,931,600 Shares were Awarded Shares granted under the Share Award Scheme that were subject to vesting with vesting dates in October 2025 and 2026, as the case may be, and were held by Blessing Keen on trust for the Share Award Grantees; and

- (ii) 2,013,500 Shares were held by Blessing Keen as the Trustee Held Pool Shares that were unutilized under the Share Award Scheme.

Details of the Share Award Grantees as at the Latest Practicable Date are set out in the section headed “*6. Shareholding Structure of the Company*” of the Explanatory Statement in Part VII of this Scheme Document.

Blessing Keen is a special purpose vehicle which is wholly-owned by the Trustee for the sole purpose of holding Shares on trust for the grantees of the Share Award Scheme.

All of the Awarded Shares and Trustee Held Pool Shares which are still held by Blessing Keen as of the Scheme Record Date shall form part of the Scheme Shares and be cancelled upon the Scheme becoming effective. Conditional upon the Scheme becoming effective, the Offeror shall pay to Blessing Keen an amount equivalent to the Cancellation Price multiplied by the number of Awarded Shares and Trustee Held Pool Shares, which:

- (a) for the amount which corresponds to the Awarded Shares that are subject to vesting, such amount shall be held on trust by Blessing Keen and shall be payable to (if vested) the relevant Share Award Grantees on the vesting date(s) of the respective Awarded Shares, or (if not vested) the Company upon the termination of the Share Award Scheme; and
- (b) for the amount which corresponds to the Trustee Held Pool Shares, such amount shall be paid to the Company after Blessing Keen receives such amount from the Offeror under the Scheme and upon the termination of the Share Award Scheme.

Pursuant to the rules of the Share Award Scheme and the Trust Deed, the Share Award Grantees shall have no voting rights in respect of the unvested Awarded Shares, and Blessing Keen shall not exercise the voting rights in respect of the Shares held by it under trust. Accordingly, all of the Awarded Shares will not be voted at the Court Meeting and the EGM notwithstanding that such Shares form part of the Scheme Shares.

The Company has no intention to grant further Awarded Shares under the Share Award Scheme between (a) the Announcement Date and (b)(i) the Effective Date or (ii) if the Scheme is not approved or does not become effective, or the Proposal otherwise lapses or is withdrawn, the date on which the Scheme is not approved or does not become effective or the Proposal otherwise lapses or is withdrawn (as the case may be).

3. FINANCIAL RESOURCES

Daiwa has been appointed as the financial adviser to the Offeror in connection with the Proposal.

As at the Latest Practicable Date, the Scheme Shareholders held 346,779,890 Scheme Shares. To the extent that all the outstanding Share Options are exercised and the relevant Option Holders have become Scheme Shareholders before the Scheme Record Date, and assuming that there is no

other change in the shareholding of the Company before the Scheme Record Date, the Scheme Shareholders will hold up to 351,176,300 Scheme Shares. In this regard, and on the basis of the Cancellation Price of HK\$1.58 per Scheme Share, the maximum amount of cash consideration required for the cancellation and extinguishment of the Scheme Shares is approximately HK\$554.9 million.

The Offeror intends to finance the cash requirement for the Proposal through its internal financial resources.

Daiwa, the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the maximum amount of cash consideration required to effect the Proposal.

4. REASONS FOR AND BENEFITS OF THE PROPOSAL

You are urged to read carefully the section headed “*4. Reasons for and Benefits of the Proposal*” in the Explanatory Statement in Part VII of this Scheme Document.

5. CONDITIONS OF THE PROPOSAL AND THE SCHEME

The implementation of the Proposal is, and the Scheme will become effective and binding on the Company and all the Scheme Shareholders, subject to the fulfilment or waiver (as applicable) of the Conditions as described in the section headed “*5. Conditions of the Proposal and the Scheme*” in the Explanatory Statement in Part VII of this Scheme Document, on or before the Long Stop Date. The Option Offer will be made conditional upon the Scheme becoming effective.

If the Scheme is approved by the Scheme Shareholders and sanctioned by the High Court, all requirements of the Companies Ordinance are complied with, and all other Conditions are fulfilled or waived (as the case may be), the Scheme will be binding on all the Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting and/or the EGM.

If the Scheme is not approved or the Proposal otherwise lapses, there are restrictions under the Takeovers Code on the Offeror making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with it in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may, within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses, announce an offer or possible offer for the Company, except with the consent of the Executive.

Shareholders, Option Holders, Share Award Grantees and potential investors of the Company should be aware that the implementation of the Proposal, the Option Offer and the Scheme are subject to the Conditions being fulfilled or waived, as applicable, and therefore the Proposal and the Option Offer may or may not be implemented, and the Scheme may or may not become effective. Shareholders, Option Holders, Share Award Grantees 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, licensed securities dealer, registered institution in securities, bank manager, solicitor or other professional advisers.

6. SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date:

- (a) the issued share capital of the Company comprised 1,346,779,890 Shares, including 4,945,100 Shares that were held by Blessing Keen (representing approximately 0.37% of the issued share capital of the Company), of which (i) 2,931,600 Shares were Awarded Shares granted under the Share Award Scheme that were subject to vesting and were held by Blessing Keen on trust for the Share Award Grantees; and (ii) 2,013,500 Shares were the Trustee Held Pool Shares;
- (b) a total of 4,396,410 Share Options were outstanding, including (i) 681,410 Pre-IPO Share Options granted under the Pre-IPO Share Option Scheme with an exercise price of HK\$0.85 per Share, all of which had vested; and (ii) 3,715,000 Post-IPO Share Options granted under the Post-IPO Share Option Scheme with an exercise price of HK\$2.638 per Share, all of which had vested;
- (c) other than the 1,346,779,890 Shares in issue and the 4,396,410 outstanding Share Options, the Company had no outstanding options, warrants, derivatives, convertible securities or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company that carried a right to subscribe for or which were convertible into the Shares;
- (d) the Offeror held 1,000,000,000 Shares, representing approximately 74.25% of the issued share capital of the Company;
- (e) except for Shares held by member(s) of the Daiwa Group acting in the capacity of exempt principal trader(s) and/or exempt fund manager(s), members of the Daiwa Group did not beneficially own, control or have direction over any Shares or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company;
- (f) the Daiwa Held Custodian Shares, being 78,000 Shares, representing approximately 0.006% of the issued share capital of the Company, were held by Daiwa as custodian for clients on a non-discretionary basis. Daiwa and other members of the Daiwa Group did not beneficially own, control or have direction over any of the Daiwa Held Custodian Shares;
- (g) save as disclosed in sub-paragraphs (d), (e) and (f) above, the Offeror and the Offeror Concert Parties did not hold or have control or direction over any other Shares or any options, warrants, derivatives or securities convertible into Shares or other derivatives in respect of securities in the Company;

- (h) the Scheme Shares comprised a total of 346,779,890 Shares held or beneficially owned by the Scheme Shareholders, representing approximately 25.75% of the issued share capital of the Company;
- (i) with reference to the closing price of HK\$1.450 per Share as quoted on the Stock Exchange on the Latest Practicable Date, the outstanding Post-IPO Share Options were out of the money. However, if all of the outstanding Share Options (including the Post-IPO Share Options) are exercised and the relevant Option Holders have become Scheme Shareholders before the Scheme Record Date, the Scheme Shares would comprise a total of 351,176,300 Shares held or beneficially owned by the Scheme Shareholders, representing approximately 25.99% of the enlarged issued share capital of the Company;
- (j) neither the Offeror nor the Offeror Concert Parties had entered into any outstanding derivative in respect of the securities in the Company;
- (k) neither the Offeror nor the Offeror Concert Parties had borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company;
- (l) save for the dealings in the Shares by any member of the Daiwa Group which are conducted on a non-discretionary basis for and on behalf of its clients, none of the Offeror, the directors of the Offeror and the Offeror Concert Parties had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares during the Relevant Period;
- (m) as the Daiwa Held Custodian Shares were not held by or on behalf of (i) the Offeror or (ii) an associate of the Offeror (as defined under section 667(1) of the Companies Ordinance) or (iii) a person (or a nominee on behalf of such person) who is a party to an acquisition agreement (within the meaning of section 667(5) of the Companies Ordinance) with the Offeror, the Daiwa Held Custodian Shares were regarded as disinterested Shares for the purpose of the Companies Ordinance (i.e. the CO Disinterested Shares). In addition, as Daiwa and other members of the Daiwa Group did not beneficially own, control or have direction over any of the Daiwa Held Custodian Shares, the Daiwa Held Custodian Shares were regarded as disinterested Shares for the purpose of the Takeovers Code (i.e. the TC Disinterested Shares); and
- (n) subject to sub-paragraph (m) above, all Shareholders (other than the Offeror and the Offeror Concert Parties) were considered as Independent Shareholders for the purpose of the Takeovers Code and holders of CO Disinterested Shares for the purpose of the Companies Ordinance.

Shares held or beneficially owned by the Offeror will not form part of the Scheme Shares. For the avoidance of doubt, the Daiwa Held Custodian Shares will form part of the Scheme Shares.

Upon the Scheme becoming effective, the Offeror will directly hold 100% of the issued share capital of the Company.

All Shareholders will be entitled to vote on the special resolution to be proposed at the EGM to approve and give effect to the Scheme, including the approval of the reduction of the share capital of the Company by cancelling and extinguishing the Scheme Shares and the issue to the Offeror of such number of new Shares (credited as fully paid) as is equal to the number of the Scheme Shares cancelled, which is set out in the section headed “5. *Conditions of the Proposal and the Scheme*” in the Explanatory Statement in Part VII of this Scheme Document. The Offeror and the Offeror Concert Parties will also be entitled to vote on the special resolution to be proposed at the EGM to approve and give effect to the Scheme.

The table setting out the shareholding structure of the Company as at the Latest Practicable Date and immediately upon the Scheme becoming effective is set out in the section headed “6. *Shareholding Structure of the Company*” in the Explanatory Statement in Part VII of this Scheme Document.

7. INFORMATION ON THE GROUP

The Company is a company incorporated in Hong Kong with limited liability whose shares are listed on the Main Board of the Stock Exchange. The Company is principally engaged in investment holding, procurement and trading of food and processed food. The Group is a restaurant chain operator of the TamJai and SamGor branded fast casual restaurant chain in Hong Kong with operations also in Mainland China, Singapore and Japan, specialising in mixian (a type of rice noodle). The Group also operates restaurants under other licensed brands including Marugame Seimen and Yakiniku Yamagyu.

Your attention is drawn to Appendix I to this Scheme Document, and the section headed “10. *Information on the Group*” in the Explanatory Statement in Part VII of this Scheme Document.

8. INFORMATION ON THE OFFEROR AND THE OFFEROR CONCERT PARTIES

Your attention is drawn to the section headed “9. *Information on the Offeror and the Offeror Concert Parties*” in the Explanatory Statement in Part VII of this Scheme Document.

9. THE INTENTIONS OF THE OFFEROR IN RELATION TO THE GROUP

Your attention is drawn to the section headed “11. *The Intentions of the Offeror in relation to the Group*” in the Explanatory Statement in Part VII of this Scheme Document.

The Board is pleased to note that as at the Latest Practicable Date, the Offeror had no intention, upon the Scheme becoming effective, to make any material changes to the business of the Group, or the continued employment of the employees of the Group (other than changes made in the ordinary course of business).

10. THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, which comprises all the independent non-executive Directors, namely Mr. Loo Kwok Wing, Mr. Lee Kwok Ming and Mr. Yeung Yiu Keung, has been established by the Board in accordance with Rule 2.1 of the Takeovers Code to make a recommendation to the Independent Shareholders and the Option Holders as to whether the terms of the Proposal, the Option Offer and the Scheme are, or are not, fair and reasonable and as to voting at the Court Meeting and the EGM and as to acceptance of the Option Offer.

Pursuant to Rule 2.8 of the Takeovers Code, members of the Independent Board Committee should comprise all non-executive Directors who have no direct or indirect interest in the Proposal and the Option Offer. Mr. Yamaguchi Satoshi, Mr. Someya Norifumi and Mr. Hatamoto Toru, all being non-executive Directors, are senior executives of Toridoll Japan, of which the Offeror is a wholly-owned subsidiary, therefore they have not been included as members of the Independent Board Committee.

The full text of the letter from the Independent Board Committee is set out in Part V of this Scheme Document.

11. INDEPENDENT FINANCIAL ADVISER

The Company has, with the approval of the Independent Board Committee, appointed Lego Corporate Finance Limited as the Independent Financial Adviser to advise the Independent Board Committee in connection with the Proposal, the Option Offer and the Scheme.

The full text of the letter from the Independent Financial Adviser is set out in Part VI of this Scheme Document.

12. OVERSEAS SCHEME SHAREHOLDERS AND OPTION HOLDERS

If you are an overseas holder of the Scheme Shares or Share Options, your attention is drawn to the section headed “*17. Overseas Scheme Shareholders and Option Holders*” in the Explanatory Statement in Part VII of this Scheme Document.

13. COURT MEETING AND EGM

For the purpose of exercising your right to vote at the Court Meeting and the EGM, you are requested to read carefully the section headed “*19. Court Meeting and EGM*” in the Explanatory Statement in Part VII of this Scheme Document, the notices of the Court Meeting and the EGM in Appendix IV and Appendix V, respectively, to this Scheme Document, and Part II “Actions to be Taken” of this Scheme Document.

14. VOTING AT THE COURT MEETING AND THE EGM

All Scheme Shareholders whose names appear on the Register as at the Meeting Record Date will be entitled to attend and vote on the Scheme at the Court Meeting.

As at the Latest Practicable Date, the Offeror held 1,000,000,000 Shares, representing approximately 74.25% of the issued share capital of the Company, and the Offeror Concert Parties did not hold any Shares. Shares held by the Offeror will not form part of the Scheme Shares and will not be cancelled and extinguished upon the Scheme becoming effective.

Each of the Offeror and the Offeror Concert Parties will procure that any Shares in respect of which they are beneficially interested will not be represented or voted at the Court Meeting. The Offeror will undertake to the High Court that it will be bound by the Scheme and will execute and do all things as may be necessary or desirable to be executed and done by it for the purposes of the Scheme.

All Shareholders are entitled to attend the EGM and vote on the special resolution to be proposed at the EGM to approve and give effect to the reduction of capital and the implementation of the Scheme. The Offeror has indicated that, if the Scheme is approved at the Court Meeting, the Offeror will vote in favour of the special resolution to be proposed at the EGM to approve and give effect to the Scheme, including the approval of the reduction of the issued share capital of the Company by cancelling and extinguishing the Scheme Shares and of the issue to the Offeror of such number of new Shares as is equal to the number of the Scheme Shares cancelled.

Notwithstanding the above:

- (a) Blessing Keen, which held 4,945,100 Shares (representing approximately 0.37% of the issued share capital of the Company) as at the Latest Practicable Date under trust for the purpose of the Share Award Scheme, is a Scheme Shareholder and eligible to attend and vote the Shares held by it as at the Meeting Record Date at the Court Meeting and the EGM, but pursuant to the Trust Deed and the rules of the Share Award Scheme, Blessing Keen shall not exercise the voting rights in respect of such Shares at the Court Meeting and the EGM.
- (b) Shares held by any member of the Daiwa Group acting in the capacity of an exempt principal trader connected with the Offeror shall not be voted at the Court Meeting or the EGM in accordance with the requirement of Rule 35.4 of the Takeovers Code. Shares held by such exempt principal traders may be allowed to be voted at the Court Meeting and the EGM if: (i) such member of the Daiwa Group holds the relevant Shares as a simple custodian for and on behalf of non-discretionary clients; (ii) there are contractual arrangements in place between such member of the Daiwa Group and such non-discretionary client that strictly prohibit such member of the Daiwa Group from exercising any voting discretion over such Shares; (iii) all voting instructions shall

originate from such non-discretionary client only (if no instructions are given, then no votes shall be cast for the relevant Shares held by such member of the Daiwa Group); and (iv) such non-discretionary client is not the Offeror or an Offeror Concert Party.

As at the Latest Practicable Date, the Daiwa Held Custodian Shares, being 78,000 Shares (representing approximately 0.006% of the issued share capital of the Company), were held by Daiwa as custodian for clients on a non-discretionary basis, and such Shares shall be part of the Scheme Shares. As the Daiwa Held Custodian Shares fulfil the requirements under (i) to (iv) above, the Daiwa Held Custodian Shares are regarded as disinterested Shares for the purpose of the Takeovers Code (i.e. the TC Disinterested Shares) and may be voted at the Court Meeting and the EGM.

In addition, as the Daiwa Held Custodian Shares are not held by or on behalf of (a) the Offeror or (b) an associate of the Offeror (as defined under section 667(1) of the Companies Ordinance) or (c) a person (or a nominee on behalf of such person) who is a party to an acquisition agreement (within the meaning of section 667(5) of the Companies Ordinance) with the Offeror, the Daiwa Held Custodian Shares are regarded as disinterested Shares for the purpose of the Companies Ordinance (i.e. the CO Disinterested Shares).

15. ACTIONS TO BE TAKEN

The actions which you are required to take in relation to the Proposal and the Option Offer (as the case may be) are set out under Part II “Actions to be Taken” on pages 11 to 16 of this Scheme Document.

16. RECOMMENDATIONS

The Independent Financial Adviser has advised the Independent Board Committee that it considers the terms of the Proposal and the Option Offer are fair and reasonable so far as the Independent Shareholders and the Option Holders are concerned, and accordingly, advises the Independent Board Committee to recommend (i) the Independent Shareholders to vote in favour of the relevant resolution(s) to be proposed at the Court Meeting and the EGM to approve and implement the Proposal and the Scheme; and (ii) the Option Holders to accept the Option Offer.

The Independent Board Committee, having considered the terms of the Proposal and the Option Offer, and having taken into account the advice of the Independent Financial Adviser, considers that the terms of the Proposal and the Option Offer are fair and reasonable so far as the Independent Shareholders and the Option Holders are concerned and recommends (i) the Independent Shareholders to vote in favour of the relevant resolution(s) to be proposed at the Court Meeting and the EGM to approve and implement the Proposal and the Scheme; and (ii) the Option Holders to accept the Option Offer.

Your attention is drawn to the recommendations of the Independent Financial Adviser to the Independent Board Committee, in respect of the Proposal and the Option Offer as set out in Part VI of this Scheme Document. Your attention is also drawn to the recommendations of the Independent Board Committee in respect of the Proposal and the Option Offer as set out in Part V of this Scheme Document.

17. SHARE CERTIFICATES, DEALINGS, LISTING, REGISTRATION AND PAYMENT

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title. In that case, the Company does not intend to maintain its listing on the Stock Exchange and will make an application for the listing of the Shares to be withdrawn from the Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules, with effect after the Effective Date. The Shareholders will be notified by way of an announcement of the exact dates of the last day for dealing in the Shares and the day on which the Scheme and the withdrawal of listing of the Shares on the Stock Exchange will become effective. An indicative expected timetable in relation to the Proposal is included in Part III of this Scheme Document.

Subject to the requirements of the Takeovers Code, the Proposal will lapse if any of the Conditions described in the section headed “5. *Conditions of the Proposal and the Scheme*” in the Explanatory Statement set out in Part VII of this Scheme Document has not been fulfilled or waived, as applicable, on or before the Long Stop Date.

If the Scheme is withdrawn or is not approved at the Court Meeting or is not sanctioned by the High Court or does not become effective or the Proposal otherwise lapses, (a) the listing of the Shares on the Stock Exchange will not be withdrawn; (b) neither the Offeror nor any person who acted in concert with it in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may, except with the consent of the Executive, within 12 months thereafter, announce an offer or possible offer for the Company; and (c) the Company will publish an announcement to update the Shareholders and Option Holders in respect of the status of the Proposal and the Option Offer.

Your attention is drawn to the sections headed “12. *Withdrawal of the Listing of the Shares*” and “16. *Registration and Payment*” in the Explanatory Statement set out in Part VII of this Scheme Document.

18. TAXATION, EFFECTS AND LIABILITIES

It is emphasised that none of the Offeror, the Company, Daiwa, Somerley, the Independent Financial Adviser and the Share Registrar and their respective directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Proposal and/or the Option Offer accepts responsibility (other than in respect of themselves, if applicable) for any taxation effects on, or liabilities of, any person or persons as a result of their acceptance or rejection, or the implementation, of the Proposal. You are urged to read the section headed “18.

Taxation” in the Explanatory Statement set out in Part VII of this Scheme Document and if you are in any doubt as to any aspect of this Scheme Document or as to the action to be taken, you should consult an appropriately qualified professional adviser.

19. FURTHER INFORMATION

You are urged to read carefully the letters from the Independent Board Committee and from the Independent Financial Adviser, as set out in Part V and Part VI of this Scheme Document, respectively, the Explanatory Statement as set out in Part VII of this Scheme Document, the terms of the Scheme as set out in Appendix III to this Scheme Document, the notice of the Court Meeting as set out in Appendix IV to this Scheme Document, the notice of the EGM as set out in Appendix V to this Scheme Document, the terms of the Option Offer in Appendix VI to this Scheme Document and the other appendices to this Scheme Document. In addition, a **pink** form of proxy for the Court Meeting and a **white** form of proxy for the EGM are enclosed with this Scheme Document.

By order of the Board
Tam Jai International Co. Limited



Lau Tat Man
Chairman of the Board and Chief Executive Officer