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ESSA FINANCIAL GROUP LTD
*(Incorporated in the British Virgin Islands
with limited liability)*

東京中央拍賣控股有限公司
TOKYO CHUO AUCTION HOLDINGS LIMITED
(Incorporated in Hong Kong with limited liability)
(Stock code: 1939)

JOINT ANNOUNCEMENT

- (I) COMPLETION OF THE SALE AND PURCHASE OF SALE SHARES
IN TOKYO CHUO AUCTION HOLDINGS LIMITED;
(II) MANDATORY UNCONDITIONAL CASH OFFERS BY
LEGO SECURITIES LIMITED AND
FORTUNE ORIGIN SECURITIES LIMITED
FOR AND ON BEHALF OF
ESSA FINANCIAL GROUP LTD
TO ACQUIRE ALL THE ISSUED SHARES IN
TOKYO CHUO AUCTION HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED
OR TO BE ACQUIRED BY
ESSA FINANCIAL GROUP LTD, THE OTHER PURCHASERS
AND PARTIES ACTING IN CONCERT WITH ANY OF THEM) AND
TO CANCEL ALL THE OUTSTANDING SHARE OPTIONS OF
TOKYO CHUO AUCTION HOLDINGS LIMITED;
AND
(III) RESUMPTION OF TRADING**

Financial adviser to the Offeror



COMPLETION OF THE SALE AND PURCHASE OF SALE SHARES IN THE COMPANY

The Company was informed by the Vendor and the Offeror that on 25 April 2025, the Vendor, the Offeror and the Other Purchasers entered into the Sale and Purchase Agreement pursuant to which the Vendor has agreed to sell and the Offeror and the Other Purchasers have agreed to purchase an aggregate of 374,967,278 Sale Shares, representing approximately 74.99% of the total issued share capital of the Company as at the date of this joint announcement. The total consideration for the Sale Shares is HK\$164,985,602.32, which is equivalent to HK\$0.44 per Sale Share. Completion took place on 25 April 2025.

MANDATORY UNCONDITIONAL CASH OFFERS

As at the date of this joint announcement, the Company has 500,000,000 Shares in issue and 48,000,000 outstanding Share Options which entitle the holders thereof to subscribe for 48,000,000 new Shares at an exercise price of HK\$0.80 per Share. Save for the Shares and 48,000,000 outstanding Share Options, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date of this joint announcement.

Immediately prior to Completion, save for 374,967,278 Sale Shares held by the Vendor, none of the Offeror, the Other Purchasers and the parties acting in concert with any of them held, owned, controlled or had the right of direction over any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

Upon Completion and as at the date of this joint announcement, the Offeror, the Other Purchasers and the parties acting in concert with any of them are interested in a total of 374,967,278 Shares, representing approximately 74.99% of the total issued share capital of the Company.

Pursuant to Rules 13 and 26.1 of the Takeovers Code, upon Completion, the Offeror is required to make a mandatory unconditional cash offers for all the issued Shares (other than those already owned or to be acquired by the Offeror, the Other Purchasers and the parties acting in concert with any of them) and to cancel all the outstanding Share Options.

PRINCIPAL TERMS OF THE OFFERS

Lego Securities and Fortune Origin Securities will, for and on behalf of the Offeror, jointly make the Offers to acquire all the Offer Shares (other than those already owned or to be acquired by the Offeror, the Other Purchasers and the parties acting in concert with any of them) and to cancel all the outstanding Share Options in compliance with the Takeovers Code and on the terms to be set out in the Composite Document on the following basis:

The Share Offer

For each Offer ShareHK\$0.44 in cash

The Share Offer Price of HK\$0.44 per Offer Share is equal to the price per Sale Share paid by the Offeror and the Other Purchasers under the Sale and Purchase Agreement.

The Option Offer

For cancellation of each Share Option with exercise
price of HK\$0.8 per Share HK\$0.0001 in cash

Pursuant to Rule 13 of the Takeovers Code, the Offeror will make an appropriate cash offer to the Optionholders for the cancellation of the Share Options. The Option Offer Price would normally be the see-through price which represents the amount by which the Share Offer Price per Offer Share exceeds the exercise price of each Share Option. Under the Option Offer, as the exercise price of all outstanding Share Options exceeds the Share Offer Price, the “see-through” price is negative and the Option Offer Price is at the nominal amount of HK\$0.0001 per Share Option. Following acceptance of the Option Offer, the relevant Share Options together with all rights attaching thereto will be entirely cancelled and renounced.

The Offers will be unconditional in all aspects when they are made.

Value of the Offers

Based on the Share Offer Price of HK\$0.44 per Offer Share and 500,000,000 Shares in issue as at the date of this joint announcement, the entire issued share capital of the Company is valued at HK\$220 million.

Pursuant to the Undertakings, all the Optionholders have irrevocably and unconditionally undertaken to and covenant with the Company and the Offeror that they shall not exercise any of the Share Options held by them until the Share Options are cancelled or lapsed.

As at the date of this joint announcement, excluding the total number of 374,967,278 Shares held by the Offeror, the Other Purchasers and the parties acting in concert with any of them, a total of 125,032,722 Shares will be subject to the Share Offer and the value of the Share Offer is approximately HK\$55.01 million (assuming there is no change in the number of issued Shares before the close of Offers and no Share Option is exercised prior to the close of the Share Offer).

Assuming no Share Option is exercised prior to the close of the Share Offer given the Undertakings, a total of 48,000,000 Share Options will be subject to the Option Offer and the value of the Option Offer is HK\$4,800.

Confirmation of financial resources available for the Offers

The Offeror intends to finance the entire consideration payable under the Offers by a facility extended by Fortune Origin Securities in the amount of up to HK\$56.0 million. Pursuant to the terms of the facility, so long as any part of the facility or any other amounts payable under the facility remain outstanding, the Offer Shares acquired by the Offeror under the Offers shall be deposited to the margin securities account of the Offeror with Fortune Origin Securities from time to time.

Lego Corporate Finance, being the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the total consideration payable by the Offeror upon full acceptances of the Offers.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 2.1 of the Takeovers Code, the Independent Board Committee comprising all the independent non-executive Directors, namely, Mr. Chung Kwok Mo John, Ms. Lam Suk Ling Shirley and Mr. Chun Chi Man, has been established by the Board to advise the Independent Shareholders and the Optionholders as to whether the Offers are fair and reasonable and as to the acceptance of the Offers.

The Independent Financial Adviser will be appointed to advise the Independent Board Committee in respect of the Offers and, in particular, as to whether the Offers are fair and reasonable and as to acceptance of the Offers. Further announcement will be made upon the appointment of the Independent Financial Adviser.

COMPOSITE DOCUMENT

It is the intention of the Offeror and the Company that the offer document from the Offeror and the offeree board circular from the Company be combined into a Composite Document. In accordance with Rule 8.2 of the Takeovers Code, the Composite Document containing, amongst other things: (i) details of the Offers (including the expected timetable); (ii) a letter of advice from the Independent Board Committee to the Independent Shareholders in relation to the Offers; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee in relation to the Offers, together with the forms of acceptance and transfer, is required to be despatched to the Shareholders within 21 days of the date of this joint announcement or such later date as the Executive may approve.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on Wednesday, 23 April 2025 pending the release of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on Tuesday, 6 May 2025.

WARNING

The Offeror will not increase the Share Offer Price. Shareholders, Optionholders and potential investors are reminded to monitor the announcements to be made by the Company or jointly by the Offeror and the Company in respect of the progress of the Offers and are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

COMPLETION OF THE SALE AND PURCHASE OF SALE SHARES IN THE COMPANY

The Company was informed by the Vendor and the Offeror that on 25 April 2025, the Vendor, the Offeror and the Other Purchasers entered into the Sale and Purchase Agreement pursuant to which the Vendor has agreed to sell and the Offeror and the Other Purchasers have agreed to purchase an aggregate of 374,967,278 Sale Shares, representing approximately 74.99% of the total issued share capital of the Company as at the date of this joint announcement. The total consideration for the Sale Shares is HK\$164,985,602.32, which is equivalent to HK\$0.44 per Sale Share. Completion took place on 25 April 2025.

The principal terms of the Sale and Purchase Agreement are summaries below:

Date: 25 April 2025

Parties:

- (i) the Vendor as the vendor;
- (ii) the Offeror as one of the purchasers (in respect of 329,967,278 Shares, representing approximately 65.99% of the issued share capital of the Company as at the date of this joint announcement);
- (iii) Ruihe Data as one of the purchasers (in respect of 15,000,000 Shares, representing approximately 3.00% of the issued share capital of the Company as at the date of this joint announcement);
- (iv) Mr. Li as one of the purchasers (in respect of 15,000,000 Shares, representing approximately 3.00% of the issued share capital of the Company as at the date of this joint announcement); and
- (v) Mr. Zheng as one of the purchasers (in respect of 15,000,000 Shares, representing approximately 3.00% of the issued share capital of the Company as at the date of this joint announcement).

For further details of the Offeror, please refer to the section headed “Information on the Offeror, Mr. Huang and the Other Purchasers” in this joint announcement.

Subject of the Sale and Purchase Agreement

Pursuant to the Sale and Purchase Agreement, the Vendor has agreed to sell and the Offeror and the Other Purchasers have agreed to purchase an aggregate of 374,967,278 Sale Shares, representing approximately 74.99% of the total issued share capital of the Company as at the date of this joint announcement.

Pursuant to the Non-disposal Undertakings, each of the Other Purchasers have irrevocably and unconditionally undertaken to the Offeror that he/it will not sell, transfer, dispose of, create or agree to create any encumbrance over his/its 15,000,000 Shares or otherwise dispose of such other interests over his/its interest in 15,000,000 Shares in the following manners: (i) as to 5,000,000 Shares at any time during the two-year period from the date of Completion; (ii) as to 5,000,000 Shares at any time during the three-year period from the date of Completion; and (iii) as to 5,000,000 Shares at any time during the four-year period from the date of Completion.

The consideration for the Sale Shares

The total consideration paid by the Offeror and the Other Purchasers to the Vendor in respect of the Sale Shares shall be HK\$164,985,602.32 (as to HK\$145,185,602.32 by the Offeror, HK\$6,600,000 by Ruihe Data, HK\$6,600,000 by Mr. Li and HK\$6,600,000 by Mr. Zheng), equivalent to HK\$0.44 per Sale Share, which was agreed among the Vendor, the Offeror and the Other Purchasers after arm's length negotiations, taking into account, among others, the financial and operating positions of the Group, the performance and trading volume of the Shares.

The consideration has been settled by (i) the Offeror to the Vendor upon Completion in cash as to HK\$40,000,000, and by the issue of the Promissory Note I, the Promissory Note II and the Promissory Note III as to HK\$105,185,602.32; and (ii) the Other Purchasers to the Vendor upon Completion in cash as to HK\$19,800,000.

Promissory Note I

The terms of the Promissory Note I have been negotiated on an arm's length basis between the Vendor and the Offeror and the principal terms of which are set out below:

Issuer:	the Offeror
Principal amount:	HK\$22,700,000
Interest:	interest-free
Maturity:	26 May 2025
Early redemption:	provided that the Offeror has given to the Vendor not less than five (5) business days' prior notice in writing of its intention to repay any part of the outstanding principal amount under the Promissory Note I, the Offeror may at any time from the date of issue of the Promissory Note I up to the date immediately prior to the maturity date, repay all the outstanding principal amount of the Promissory Note I or any part of it (in amounts of not less than HK\$1,000,000, or in case of the outstanding principal amount of the Promissory Note I being less than HK\$1,000,000, in the amount of the remaining outstanding principal of the Promissory Note I)
Security:	unsecured
Transferability:	the Vendor shall not transfer or assign the Promissory Note I without the prior written consent from the Offeror

Promissory Note II

The terms of the Promissory Note II have been negotiated on an arm's length basis between the Vendor and the Offeror and the principal terms of which are set out below:

Issuer:	the Offeror
Principal amount:	HK\$41,250,000
Interest:	interest-free
Maturity:	25 July 2025
Early redemption:	provided that the Offeror has given to the Vendor not less than five (5) business days' prior notice in writing of its intention to repay any part of the outstanding principal amount under the Promissory Note II, the Offeror may at any time from the date of issue of the Promissory Note II up to the date immediately prior to the maturity date, repay all the outstanding principal amount of the Promissory Note II or any part of it (in amounts of not less than HK\$1,000,000 or in case of the outstanding principal amount of the Promissory Note II being less than HK\$1,000,000, in the amount of the remaining outstanding principal of the Promissory Note II)
Security:	unsecured
Transferability:	the Vendor shall not transfer or assign the Promissory Note II without the prior written consent from the Offeror

Promissory Note III

The terms of the Promissory Note III have been negotiated on an arm's length basis between the Vendor and the Offeror and the principal terms of which are set out below:

Issuer:	the Offeror
Principal amount:	HK\$41,235,602.32
Interest:	interest-free
Maturity:	27 October 2025

Early redemption: provided that the Offeror has given to the Vendor not less than five (5) business days' prior notice in writing of its intention to repay any part of the outstanding principal amount under the Promissory Note III, the Offeror may at any time from the date of issue of the Promissory Note III up to the date immediately prior to the maturity date, repay all the outstanding principal amount of the Promissory Note III or any part of it (in amounts of not less than HK\$1,000,000 or in case of the outstanding principal amount of the Promissory Note III being less than HK\$1,000,000, in the amount of the remaining outstanding principal of the Promissory Note III)

Security: unsecured

Transferability: the Vendor shall not transfer or assign the Promissory Note III without the prior written consent from the Offeror

The Offeror has irrevocably and unconditionally undertaken to the Vendor that, unless with the written consent from the Vendor, the Offeror shall not sell, transfer or dispose of, or create any encumbrance on the Sale Shares purchased by the Offeror prior to the full redemption of the Promissory Note I, the Promissory Note II and the Promissory Note III.

Given that part of the consideration for the Sale Shares payable by the Offeror to the Vendor were settled by the issue of the Promissory Note I, the Promissory Note II and the Promissory Note III, the Vendor and the Offeror are presumed parties acting in concert by virtue of class (9) of the definition of "acting in concert" under the Takeovers Code.

MANDATORY UNCONDITIONAL CASH OFFERS

As at the date of this joint announcement, the Company has 500,000,000 Shares in issue and 48,000,000 outstanding Share Options which entitle the holders thereof to subscribe for 48,000,000 new Shares at an exercise price of HK\$0.80 per Share. Save for the Shares and 48,000,000 outstanding Share Options, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date of this joint announcement.

Immediately prior to Completion, save for 374,967,278 Sale Shares held by the Vendor, none of the Offeror, the Other Purchasers and the parties acting in concert with any of them held, owned, controlled or had the right of direction over any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

Upon Completion and as at the date of this joint announcement, the Offeror, the Other Purchasers and the parties acting in concert with any of them are interested in a total of 374,967,278 Shares, representing approximately 74.99% of the total issued share capital of the Company.

Pursuant to Rules 13 and 26.1 of the Takeovers Code, upon Completion, the Offeror is required to make a mandatory unconditional cash offers for all the issued Shares (other than those already owned or to be acquired by the Offeror, the Other Purchasers and the parties acting in concert with any of them) and to cancel all the outstanding Share Options.

Principal Terms of the Offers

Lego Securities and Fortune Origin Securities will, for and on behalf of the Offeror, jointly make the Offers to acquire all the Offer Shares (other than those already owned or to be acquired by the Offeror, the Other Purchasers and the parties acting in concert with any of them) and to cancel all the outstanding Share Options in compliance with the Takeovers Code and on the terms to be set out in the Composite Document on the following basis:

The Share Offer

For each Offer Share HK\$0.44 in cash

The Share Offer Price of HK\$0.44 per Offer Share is equal to the price per Sale Share paid by the Offeror and the Other Purchasers under the Sale and Purchase Agreement.

The Option Offer

For cancellation of each Share Option with exercise
price of HK\$0.80 per Share HK\$0.0001 in cash

Pursuant to Rule 13 of the Takeovers Code, the Offeror will make an appropriate cash offer to the Optionholders for the cancellation of the Share Options. The Option Offer Price would normally be the see-through price which represents the amount by which the Share Offer Price per Offer Share exceeds the exercise price of each Share Option. Under the Option Offer, as the exercise price of all outstanding Share Options exceeds the Share Offer Price, the “see-through” price is negative and the Option Offer Price is at the nominal amount of HK\$0.0001 per Share Option. Following acceptance of the Option Offer, the relevant Share Options together with all rights attaching thereto will be entirely cancelled and renounced.

The Offers will be unconditional in all aspects when they are made.

Comparison of value

The Share Offer Price of HK\$0.44 per Offer Share represents:

- (i) a discount of approximately 70.67% to the closing price of HK\$1.50 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 34.91% to the average of the closing prices as quoted on the Stock Exchange for the 5 consecutive trading days up to and including the Last Trading Day of approximately HK\$0.676 per Share;
- (iii) a discount of approximately 7.95% to the audited consolidated net asset value attributable to the owners of the Company of approximately HK\$0.478 per Share (based on the total number of the issued Shares as at the date of this joint announcement) as at 31 March 2024, being the date to which the latest published audited annual financial results of the Group were made up; and
- (iv) a discount of approximately 9.28% to the unaudited consolidated net asset value attributable to the owners of the Company of approximately HK\$0.485 per Share (based on the total number of the issued Shares as at the date of this joint announcement) as at 30 September 2024, being the date to which the latest published unaudited interim financial results of the Group were made up.

Highest and lowest Share prices

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the period commencing six months preceding the commencement of the offer period (as defined under the Takeovers Code), i.e. the date of this joint announcement (being 2 May 2025), were HK\$1.50 per Share (on 22 April 2025) and HK\$0.42 per Share (on 11, 12, 13, 14, 17, 18, 19, 20 and 21 April 2025), respectively.

Payment

Payment in cash in respect of acceptances of the Offers will be made as soon as possible but in any event no later than seven Business Days after the date on which the duly completed acceptances of the Offers and the relevant documents of title in respect of such acceptances are received by the Offeror (or its agent) to render each such acceptance complete and valid.

Value of the Offers

Based on the Share Offer Price of HK\$0.44 per Offer Share and 500,000,000 Shares in issue as at the date of this joint announcement, the entire issued share capital of the Company is valued at HK\$220 million.

Pursuant to the Undertakings, all the Optionholders have irrevocably and unconditionally undertaken to and covenant with the Company and the Offeror that they shall not exercise any of the Share Options held by them until the Share Options are cancelled or lapsed.

As at the date of this joint announcement, excluding the total number of 374,967,278 Shares held by the Offeror, the Other Purchasers and the parties acting in concert with any of them, a total of 125,032,722 Shares will be subject to the Share Offer and the value of the Share Offer is approximately HK\$55.01 million (assuming there is no change in the number of issued Shares before the close of Offers and no Share Option is exercised prior to the close of the Share Offer).

Assuming no Share Option is exercised prior to the close of the Share Offer given the Undertakings, a total of 48,000,000 Share Options will be subject to the Option Offer and the value of the Option Offer is HK\$4,800.

Confirmation of financial resources available for the Offers

The Offeror intends to finance the entire consideration payable under the Offers by a facility extended by Fortune Origin Securities in the amount of up to HK\$56.0 million. Pursuant to the terms of the facility, so long as any part of the facility or any other amounts payable under the facility remain outstanding, the Offer Shares acquired by the Offeror under the Offers shall be deposited to the margin securities account of the Offeror with Fortune Origin Securities from time to time.

Lego Corporate Finance, being the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the total consideration payable by the Offeror upon full acceptances of the Offers.

Effect of accepting the Offers

By accepting the Share Offer, the Shareholders will sell their Shares to the Offeror free from all encumbrances together with all rights attached thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date on which the Share Offer is made, being the date of the Composite Document.

By accepting the Option Offer, the Optionholders will agree to the cancellation of their tendered Share Options and all rights attached thereto with effect from the date on which the Option Offer is made, being the date of the Composite Document. In accordance with the Share Option Scheme, the Share Options will lapse automatically (to the extent not exercised) upon the close of the Offers.

Acceptances of the Offers shall be irrevocable and not capable of being withdrawn, except as otherwise permitted under the Takeovers Code.

As at the date of this joint announcement, (a) no dividends or distributions have been declared but unpaid; and (b) there is no intention for the Company to make, declare or pay any dividends or distributions.

Hong Kong stamp duty

Seller's Hong Kong ad valorem stamp duty on acceptances of the Share Offer at a rate of 0.1% of the total consideration payable in respect of the relevant acceptances or, if higher, the market value of the Offer Shares subject to such acceptance, will be deducted from the amounts payable to Independent Shareholders who accept the Share Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the Independent Shareholders who accept the Share Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Share Offer and the transfers of the relevant Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

No stamp duty is payable in connection with the Option Offer.

Availability of the Offers

The Offeror intends to make the Offers available to all Independent Shareholders and Optionholders, including the Overseas Shareholders and Overseas Optionholders. However, the Offers to persons not resident in Hong Kong may be affected by the laws and regulations of the relevant jurisdiction in which they are resident. The making of the Offers to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or limited by the laws or regulations of the relevant jurisdictions. Overseas Shareholders and/or Overseas Optionholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should fully observe any applicable legal or regulatory requirements and, where necessary, seek independent legal advice. It is the responsibilities of the Overseas Shareholders and the Overseas Optionholders who wish to accept the Offers to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offers (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 from such Overseas Shareholders and/or Overseas Optionholders in respect of such jurisdictions).

In the event the receipt of the Composite Document by the Overseas Shareholders and/or the Overseas Optionholders is prohibited by any applicable laws and regulations and may only be effected upon compliance with conditions or requirements in such overseas jurisdictions that would be unduly burdensome, the Composite Document, subject to the Executive's consent, may not be despatched to such Overseas Shareholders and/or Overseas Optionholders. In those circumstances, the Offeror will apply for any waivers as may be required by the Executive pursuant to Note 3 to Rule 8 of the Takeovers Code as soon as practicable.

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

Taxation Advice

Shareholders and Optionholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offers. None of the Offeror, parties acting in concert with the Offeror, the Company, Lego Corporate Finance, Lego Securities, Fortune Origin Securities and their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offers accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offers.

DEALING AND INTERESTS IN THE COMPANY'S SECURITIES

Save for the Sale Shares, none of the Offeror, Mr. Huang, the Other Purchasers and parties acting in concert with any of them has dealt in nor owned any Share or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the six months period prior to the commencement of the offer period (as defined under the Takeovers Code), i.e. the date of this joint announcement (being 2 May 2025).

As at the date of this joint announcement,

- (i) save for the Sale Shares held by the Offeror and the Other Purchasers, none of the Offeror, Mr. Huang, the Other Purchasers and parties acting in concert with any of them holds, owns or has control or direction over any voting rights or rights over any Shares, convertible securities, warrants, options or derivatives of the Company;
- (ii) there is no outstanding derivative in respect of securities in the Company which is owned, controlled or directed by, or has been entered into by the Offeror, Mr. Huang, the Other Purchasers and/or any person acting in concert with any of them;
- (iii) none of the Offeror, Mr. Huang, the Other Purchasers and parties acting in concert with any of them has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company;
- (iv) save for the Non-disposal Undertakings, there is 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 shares of the Offeror or the Shares which might be material to the Offers;

- (v) there is no agreement or arrangement to which the Offeror, Mr. Huang, the Other Purchasers or parties acting in concert with any of them is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or condition to the Offers;
- (vi) none of the Offeror, Mr. Huang, the Other Purchasers and parties acting in concert with any of them has received any irrevocable commitment(s) to accept or reject the Offers;
- (vii) there is no understanding, agreement, arrangement or special deal between the Vendor and parties acting in concert with him on one hand and the Offeror, Mr. Huang, the Other Purchasers and parties acting in concert with any of them on the other hand; and
- (viii) save for the total consideration for the Sale Shares of HK\$164,985,602.32, there is no other consideration, compensation or benefit in whatever form paid or payable by the Offeror, Mr. Huang, the Other Purchasers and parties acting in concert with any of them to the Vendor and parties acting in concert with him.

The Company and the Offeror confirm that, as at the date of this joint announcement, save for the Sale and Purchase Agreement, the Undertakings and the Non-disposal Undertakings, there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (i) any Shareholder; and (ii) (a) the Offeror, Mr. Huang, the Other Purchasers and any party acting in concert with any of them; or (b) the Company, its subsidiaries or associated companies.

INFORMATION ON THE OFFEROR, MR. HUANG AND THE OTHER PURCHASERS

The Offeror and Mr. Huang

The Offeror is incorporated in the British Virgin Islands with limited liability, and is an investment holding company ultimately wholly and beneficially owned by Mr. Huang. The sole director of the Offeror is Mr. Huang.

Mr. Huang, aged 44, graduated with an Executive Master of Business Administration degree from Tsinghua University and a Master of Business Administration degree from The Chinese University of Hong Kong in a programme jointly offered by both universities. Mr. Huang is the chairman of 深圳金雅福控股集團有限公司 (Shenzhen Kinghood Holding Group Company Limited*) (“**Shenzhen Kinghood**”), a company principally engaged in gold and jewellery industry chain. Shenzhen Kinghood ranked 295th in 2024 Fortune China 500. Mr. Huang holds approximately 57.06% equity interest directly in Shenzhen Kinghood and approximately 40.87% indirectly in Shenzhen Kinghood through a company owned as to 95% by him.

The Other Purchasers

Ruihe Data is a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 3680). Ruihe Data and its subsidiaries are principally engaged in provision of data solutions, sales of hardware and software and related services as an integrated service, information technology maintenance and support services and trading of commodities. Based on the public information available, no shareholders of Ruihe Data hold 30% or more of the voting rights of Ruihe Data.

Mr. Li, aged 58, graduated with a Master of Business Administration degree from The University of Sunderland by way of distance learning. Mr. Li holds the qualification of senior engineer specialising in architectural decoration design approved by Beijing Senior Specialized Technique Qualification Evaluation Committee. Mr. Li is now the owner of JKL Investment, s.r.o., a company incorporated in Czech Republic which is principally engaged in investment holdings.

Mr. Zheng, aged 36, graduated with a bachelor's degree in information and computing science from Dalian Ocean University in 2013. Mr. Zheng worked in China Merchants Bank from July 2013 to June 2023 with the last position as the president of Renmin Road Sub-branch, Zhuhai Branch of China Merchants Bank. Mr. Zheng is one of the founding partners of 沁灣(深圳)私募股權基金管理合夥企業(有限合夥) (Qinwan (Shenzhen) Private Equity Fund Management Partnership (Limited Partnership)*) (“**Qinwan**”), which is principally engaged in private equity fund management. He has been a compliance and risk control officer of Qinwan since June 2023.

INFORMATION ON THE GROUP

The Company is a company incorporated in Hong Kong with limited liability, the issued Shares of which are currently listed on the Main Board of the Stock Exchange (stock code: 1939). The Group is principally engaged in the provision of auction and related services as well as artwork sales in Hong Kong and Japan.

Set out below is the summary of the financial information of the Group for the financial years ended 31 March 2023 and 2024 as extracted from the annual report of the Company for the year ended 31 March 2024, and for the six months ended 30 September 2024 as extracted from the interim report of the Company for the six months ended 30 September 2024:

	For the year ended 31 March		For the six months ended 30 September
	2023	2024	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)	(unaudited)
Revenue	72,762	57,852	31,891
Loss before income tax	(8,479)	(26,389)	(664)
Loss for the year/period	(8,282)	(26,926)	(1,104)

	As at 31 March		As at 30 September
	2023	2024	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)	(unaudited)
Total assets	466,001	396,637	432,266
Total equity	263,088	238,946	242,603

Further financial information of the Group will be set out in the Composite Document to be despatched.

SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) immediately prior to the Completion; and (ii) immediately following the Completion and as at the date of this joint announcement:

	Immediately prior to the Completion		Immediately after the Completion and as at the date of this joint announcement	
	<i>Number of Shares</i>	<i>Approximately %</i>	<i>Number of Shares</i>	<i>Approximately %</i>
The Offeror and parties acting in concert with it	374,967,278	74.99	374,967,278	74.99
Vendor (<i>Note 1</i>)	374,967,278	74.99	—	—
Offeror (<i>Note 2</i>)	—	—	329,967,278	65.99
Ruihe Data (<i>Note 3</i>)	—	—	15,000,000	3.00
Mr. Li	—	—	15,000,000	3.00
Mr. Zheng	—	—	15,000,000	3.00
Other Shareholders	<u>125,032,722</u>	<u>25.01</u>	<u>125,032,722</u>	<u>25.01</u>
Total	<u>500,000,000</u>	<u>100.00</u>	<u>500,000,000</u>	<u>100.00</u>

Notes:

1. The Vendor is an executive Director and the chairman of the Board. Mrs. Ando Eri, an executive Director, is the spouse of the Vendor. Under the SFO, Mrs. Ando Eri is taken to be interested in the same number of Shares in which the Vendor is interested.
2. The Offeror is a company incorporated in the British Virgin Islands with limited liability and is wholly and beneficially owned by Mr. Huang.
3. Ruihe Data is a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 3680).
4. Save for the Vendor who held 374,967,278 Shares before Completion, none of the other Directors hold any Shares.

INTENTION OF THE OFFEROR ON THE COMPANY

Upon Completion, the Offeror has become the controlling Shareholder (as defined under the Listing Rules). The Offeror has no intention to discontinue the employment of the employees or to dispose of (other than the change in proposed change of the Board composition as detailed below) or re-deploy the assets of the Group other than those in its ordinary course of business. The Offeror also intends to continue the existing principal business of the Group immediately following Completion.

Nevertheless, the Offeror will conduct a detailed review on the existing principal businesses and operations, and the financial position of the Group for the purpose of formulating business plans and strategies for the Group's long-term business development and will explore other business opportunities for the Group. Subject to the results of the review, and should suitable investment or business opportunities arise, the Offeror may consider whether any assets and/or business acquisitions or disposals by the Group will be appropriate in order to enhance its growth. As at the date of this joint announcement, no investment or business opportunity has been identified nor have the Offeror entered into any agreement, arrangement, understanding or negotiation in relation to the injection of any assets or business into the Group.

PROPOSED CHANGE OF BOARD COMPOSITION

As at the date of this joint announcement, the Board is comprised of four executive Directors and three independent non-executive Directors.

It is intended that all of the executive Directors and independent non-executive Directors will resign with effect from the earliest time permitted under the Takeovers Code. The Offeror intends to nominate new Directors for appointment to the Board with effect from the earliest time permitted under the Takeovers Code and any such appointment will be made in compliance with the Takeovers Code and the Listing Rules. As at the date of this joint announcement, except that the Offeror intends to nominate Mr. Huang as an executive Director and chairman of the Board, and Mr. Li and Mr. Zheng as non-executive Directors, the Offeror has not reached any final decision as to who will be nominated as new Director(s). Further announcement(s) will be made upon any changes to the Board composition in compliance with the Takeovers Code and Listing Rules as and when appropriate.

MAINTAINING THE LISTING STATUS OF THE COMPANY

The Stock Exchange has stated that if, at the close of the Offers, less than the minimum prescribed percentage applicable to the Company, being 25% of the Shares, are held by the public, or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend dealings in the Shares.

The Offeror intends the Company to remain listed on the Stock Exchange after the close of the Offers. The Offeror does not intend to avail itself of any powers of compulsory acquisition of any Shares outstanding after the close of the Offers. The sole director of the Offeror and the new Directors to be appointed to the Board will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares, such as disposal of Shares held by the Offeror, the Other Purchasers or parties acting in concert with any of them and/or issue of additional Shares by the Company for this purpose. The Company and the Offeror will issue a separate announcement as and when necessary in this regard.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 2.1 of the Takeovers Code, the Independent Board Committee comprising all the independent non-executive Directors, namely, Mr. Chung Kwok Mo John, Ms. Lam Suk Ling Shirley and Mr. Chun Chi Man, has been established by the Board to advise the Independent Shareholders and the Optionholders as to whether the Offers are fair and reasonable and as to the acceptance of the Offers.

The Independent Financial Adviser will be appointed to advise the Independent Board Committee in respect of the Offers and, in particular, as to whether the Offers are fair and reasonable and as to acceptance of the Offers. Further announcement will be made upon the appointment of the Independent Financial Adviser.

COMPOSITE DOCUMENT

It is the intention of the Offeror and the Company that the offer document from the Offeror and the offeree board circular from the Company be combined into a Composite Document. In accordance with Rule 8.2 of the Takeovers Code, the Composite Document containing, amongst other things: (i) details of the Offers (including the expected timetable); (ii) a letter of advice from the Independent Board Committee to the Independent Shareholders in relation to the Offers; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee in relation to the Offers, together with the forms of acceptance and transfer, is required to be despatched to the Shareholders within 21 days of the date of this joint announcement or such later date as the Executive may approve.

The Independent Shareholders and the Optionholders are encouraged to read the Composite Document carefully, including the advice of the Independent Financial Adviser to the Independent Board Committee and the recommendation from the Independent Board Committee to the Independent Shareholders and the Optionholders in respect of the Offers, before deciding whether or not to accept the Offers.

DEALINGS DISCLOSURE

In accordance with Rule 3.8 of the Takeovers Code, associates of the Company or the Offeror (including persons holding 5% or more of a class of relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company) are reminded to disclose their dealings in any relevant securities of the Company pursuant to the requirements of the Takeovers Code.

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

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

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

WARNING

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

The Offeror will not increase the Share Offer Price. Shareholders, Optionholders and potential investors are reminded to monitor the announcements to be made by the Company or jointly by the Offeror and the Company in respect of the progress of the Offers and are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on Wednesday, 23 April 2025 pending the release of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on Tuesday, 6 May 2025.

DEFINITIONS

In this joint announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“associate(s)”	has the meaning ascribed thereto under the Takeovers Code
“Board”	the board of Directors
“Business Day(s)”	a day on which the Stock Exchange is open for the transaction of business
“Company”	Tokyo Chuo Auction Holdings Limited, a company incorporated in Hong Kong with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1939)
“Completion”	completion of the sale and purchase of the Sale Shares pursuant to the terms of the Sale and Purchase Agreement which took place on 25 April 2025
“Composite Document”	the composite offer and response document to be jointly issued by the Offeror and the Company in accordance with the Takeovers Code containing, among other things, details of the Offers, the recommendation from the Independent Board Committee to the Independent Shareholders and the Optionholders and the advice from the Independent Financial Adviser to the Independent Board Committee in respect of the Offers
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Fortune Origin Securities”	Fortune Origin Securities Limited, a corporation licensed by the SFC to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO, being one of the agents making the Offers on behalf of the Offeror
“Group”	the Company and its subsidiaries from time to time

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising all independent non-executive Directors established for the purpose of advising the Independent Shareholders and the Optionholders in respect of the Offers and in particular as to whether the Offers are fair and reasonable and as to acceptance of the Offers
“Independent Financial Adviser”	the independent financial adviser to be appointed by the Company and to be approved by the Independent Board Committee for the purpose of advising the Independent Board Committee in respect of the terms of the Offers and as to acceptance of the Offers
“Independent Shareholders”	the Shareholders other than the Offeror, Mr. Huang, the Other Purchasers and parties acting in concert with any of them
“Last Trading Day”	22 April 2025, being the last trading day of the Shares on the Stock Exchange prior to the halt of trading in the Shares pending the release of this joint announcement
“Lego Corporate Finance”	Lego Corporate Finance Limited, a corporation licensed by the SFC to conduct Type 6 (advising on corporate finance) regulated activity under the SFO, being the financial adviser to the Offeror in respect of the Offers
“Lego Securities”	Lego Securities Limited, a corporation licensed by the SFC to conduct Type 1 (dealing in securities) regulated activity under the SFO, being one of the agents making the Offers on behalf of the Offeror
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Huang”	Mr. Huang Shikun
“Mr. Li”	Mr. Li Jiefeng
“Mr. Zheng”	Mr. Zheng Haoran

“Non-disposal Undertakings”	the non-disposal undertakings given by each of the Other Purchasers in favour of the Offeror that he/it will not sell, transfer, dispose of, create or agree to create any encumbrance over his/its interest in 15,000,000 Shares or otherwise dispose of such other interests over his/its interests in 15,000,000 Shares in the following manners: (i) as to 5,000,000 Shares at any time during two-year period from the date of Completion; (ii) as to 5,000,000 Shares at any time during three-year period from the date of Completion; and (iii) as to 5,000,000 Shares at any time during four-year period from the date of Completion
“Offeror”	ESSA FINANCIAL GROUP LTD, a company incorporated in the British Virgin Islands with limited liability which is ultimately wholly and beneficially owned by Mr. Huang
“Offers”	collectively, the Share Offer and the Option Offer
“Offer Share(s)”	all the issued Shares (other than those already beneficially owned or to be acquired by the Offeror, the Other Purchasers and parties acting in concert with any of them)
“Optionholder(s)”	the holder (s) of the Share Option(s)
“Option Offer”	the mandatory unconditional cash offer to be jointly made by Lego Securities and Fortune Origin Securities for and on behalf of the Offeror to cancel the outstanding Share Options on the terms and conditions set out in the Composite Document and in compliance with the Takeovers Code
“Option Offer Price”	the price at which the Option Offer will be made, being HK\$0.0001 for the cancellation of each Share Option held by the Optionholders
“Other Purchasers”	collectively, Ruihe Data, Mr. Li and Mr. Zheng
“Overseas Optionholders”	Optionholders whose addresses as shown on the register of optionholders of the Company are outside Hong Kong
“Overseas Shareholders”	Independent Shareholders whose addresses as shown on the register of members of the Company are outside Hong Kong
“PRC”	the People’s Republic of China, for the purpose of this joint announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan

“Promissory Note I”	the promissory note in the total principal sum of HK\$22,700,000 executed and issued by the Offeror in favour of the Vendor for the purpose of settlement of part of the consideration for the sale and purchase of the Sale Shares payable by the Offeror
“Promissory Note II”	the promissory note in the total principal sum of HK\$41,250,000 executed and issued by the Offeror in favour of the Vendor for the purpose of settlement of part of the consideration for the sale and purchase of the Sale Shares payable by the Offeror
“Promissory Note III”	the promissory note in the total principal sum of HK\$41,235,602.32 executed and issued by the Offeror in favour of the Vendor for the purpose of settlement of part of the consideration for the sale and purchase of the Sale Shares payable by the Offeror
“Ruihe Data”	Ruihe Data Technology Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 3680)
“Sale and Purchase Agreement”	the sale and purchase agreement dated 25 April 2025 and entered into among the Vendor as vendor and the Offeror and the Other Purchasers as purchasers in relation to the sale and purchase of the Sale Shares
“Sale Share(s)”	the 374,967,278 Shares transferred to the Offeror and the Other Purchasers from the Vendor pursuant to the Sale and Purchase Agreement
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) in the share capital of the Company
“Share Offer”	the mandatory unconditional cash offer to be jointly made by Lego Securities and Fortune Origin Securities on behalf of the Offeror to acquire all the Offer Shares
“Share Offer Price”	HK\$0.44 per Offer Share
“Share Option(s)”	the outstanding share option(s) granted by the Company under the Share Option Scheme

“Share Option Scheme”	the share option scheme conditionally adopted by the Company on 13 September 2018
“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
“Vendor”	Mr. Ando Shokei, an executive Director and the chairman of the Board, and the controlling Shareholder before Completion
“Undertakings”	the undertakings given by all the Optionholders in favour of the Company and the Offeror that they shall not exercise any of the Share Options held by them until the Share Options are cancelled or lapsed
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

For and on behalf of
ESSA FINANCIAL GROUP LTD
Huang Shikun
Sole Director

By order of the Board
Tokyo Chuo Auction Holdings Limited
東京中央拍賣控股有限公司
Ando Shokei
Chairman

Hong Kong, 2 May 2025

As at the date of this joint announcement, the executive Directors are Mr. Ando Shokei, Mrs. Ando Eri, Mr. Katsu Bunkai and Mr. Sun Hongyue; and the independent non-executive Directors are Mr. Chung Kwok Mo John, Ms. Lam Suk Ling Shirley and Mr. Chun Chi Man.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than those relating to the Offeror, Mr. Huang, the Other Purchasers and parties acting in concert with any of them), 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 sole director 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 statements in this joint announcement misleading.

As at the date of this joint announcement, the sole director of the Offeror is Mr. Huang.

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

** For identification purpose only*