



CONTROL PREMIUM & DISCOUNT FOR LACK OF MARKETABILITY STUDY

Issue 3 - July 2023

SUMMARY

	2 nd Quarter of 2023	Trailing 12-months
Cover Period	1 April 2023 to 30 June 2023	1 July 2022 to 30 June 2023
Published Notifiable Transactions Circular on HKEX	93	376
Including Full Valuation Reports with the Adoption of a Control Premium	5	19
Including Full Valuation Reports with the Adoption of a Discount for Lack of Marketability	7	29

Research Study — Disclaimer and Limitation of Liability

This study was prepared through manual research and analysis, with figures compiled from publicly filed HKEX notifiable-transaction circulars. It reflects substantial professional effort and care; however, manual research is inherently subject to human error, oversight, and the limits of the time and resources applied, the outputs were checked on a sample basis rather than exhaustively audited, and absence of a flagged error does not mean a record is correct.

This disclaimer is not limited to the accuracy of individual figures — it applies to the study as a whole, including its completeness, methodology, interpretation and judgment choices, scope and period, and assumptions. The study relies on source documents that may themselves contain errors, ambiguities, or omissions; it reflects classification and judgment calls that reasonable professionals might make differently; it is not exhaustive; and it reports figures as stated in or derived from those documents without independently verifying the correctness of the underlying valuations.

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Nothing herein constitutes financial, valuation, investment, legal, accounting, tax, or other professional advice or a substitute for independent professional judgment; before relying on any figure, verify it against the original source document and seek appropriate advice. We have applied our best endeavours, but this is not a guarantee of accuracy.

2023 2nd Quarter Key Findings

Control Premium

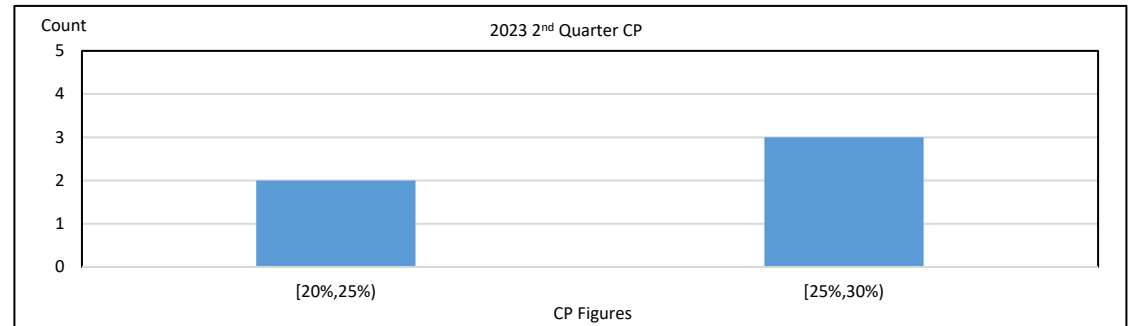
- 5 out of 93 circulars included valuation reports with the adoption of 5 control premiums (“CP”).
- 100.0% of valuers quoted figures from the ‘Control Premium Study’ by FactSet Mergerstat, LLC.

Table 1(a) Summary Statistics of CP adopted

CP Range	CP Average	CP Median	CP Upper Quartile	CP Lower Quartile
22.6%- 28.7%	26.0%	26.0%	28.2%	24.4%

Table 1(b) Sources of CP

‘Control Premium Study’ published by FactSet Mergerstat, LLC	Others
5	-



Discount for Lack of Marketability

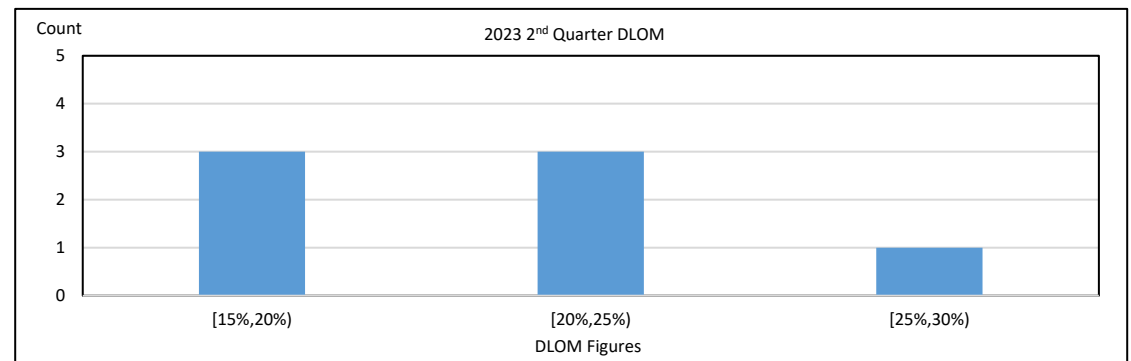
- 7 out of 93 circulars included valuation reports with the adoption of 7 discounts for lack of marketability (“DLOM”).
- 57.1% of valuers quoted figures from the ‘Stout Restricted Stock Study Companion Guide’ by Stout Risius Ross, LLC.
- 42.9% of valuers quoted figures from other sources.

Table 2(a) Summary Statistics of DLOM adopted

DLOM Range	DLOM Average	DLOM Median	DLOM Upper Quartile	DLOM Lower Quartile
15.7%- 29.0%	20.9%	20.6%	24.0%	16.4%

Table 2(b) Sources of DLOM

‘Stout Restricted Stock Study Companion Guide’ by Stout Risius Ross, LLC	Others
54	3



30 June 2023 Trailing 12-Months Key Findings

Control Premium

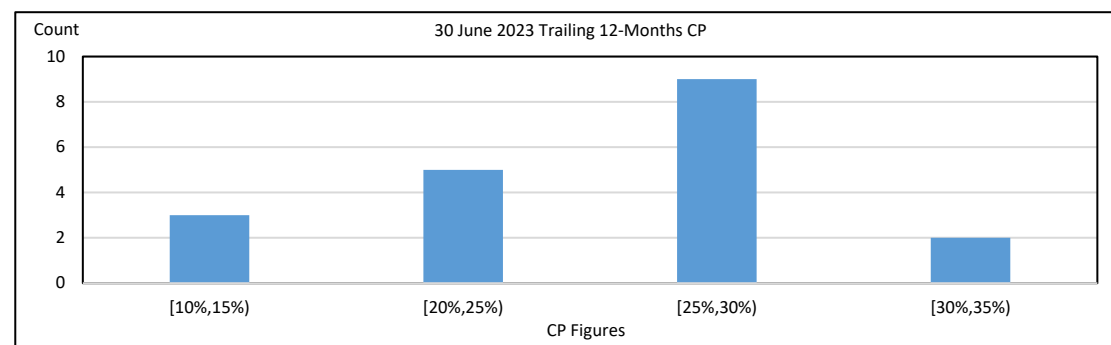
- 19 out of 376 circulars included valuation reports with the adoption of 19 control premiums.
- 68.4% of valuers quoted figures from the 'Control Premium Study' by FactSet Mergerstat, LLC.
- 31.6% of valuers quoted figures from other sources.

Table 3(a) Summary Statistics of CP adopted

CP Range	CP Average	CP Median	CP Upper Quartile	CP Lower Quartile
10.0%- 33.9%	24.3%	26.0%	28.5%	22.8%

Table 3(b) Sources of CP

'Control Premium Study' published by FactSet Mergerstat, LLC	Others
13	6



Discount for Lack of Marketability

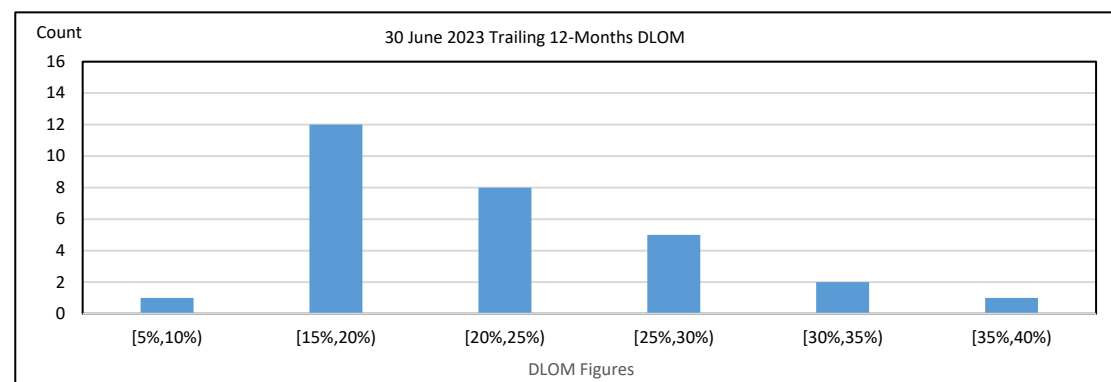
- ~~29~~28 out of 376 circulars included valuation reports with the adoption of 29 discounts for lack of marketability.
- 65.5% of valuers quoted figures from the 'Stout Restricted Stock Study Companion Guide' by Stout Risius Ross, LLC.
- 34.5% of valuers quoted figures from other sources.

Table 4(a) Summary Statistics of DLOM adopted

DLOM Range	DLOM Average	DLOM Median	DLOM Upper Quartile	DLOM Lower Quartile
9.6% - 35.0%	20.8%	20.6%	25.0%	15.8%

Table 4(b) Sources of DLOM

'Stout Restricted Stock Study Companion Guide' by Stout Risius Ross, LLC	Others
19	10



FY 2023 2nd Quarter Research Summary

Publish Date	Stock Code	Listed Entity	Valuation Subject(s)	Location ¹	Transaction Type	Equity Stake (%)	Connected Transaction	CP Figure	DLOM Figure
3-Apr-2023	1400	Moody Technology Holdings Limited	Leader Elastic Limited	China	Very Substantial Acquisition	81.0%	No	28.20%	17.00%
26-Apr-2023	1515	China Resources Medical Holdings Company Limited	1) Liaoning CR Healthcare Group; 2) Shenzhen CR Healthcare; 3) JE Subjects	China	Major Transaction	1) 76.1%; 2) 100.0%; 3) 80.0%	Yes	28.70%	15.80%
8-May-2023	510	Cash Financial Services Group Limited	Cash Algo Finance Group International Limited and its subsidiaries	China	Major Transaction	51.0%	Yes	24.40%	20.60%
25-May-2023	1611	New Huo Technology Holdings Limited	Pantene Group	Hong Kong	Major Transaction	100.0%	No	26.00%	29.00%
30-May-2023	2107	First Service Holding Limited	Century Golden Resources Services Group Co., Ltd	China	Major Transaction	8.0%	No	N/A	24.00%
28-June-2023	1758	Bojun Education Company Limited	1) Sichuan Zhengzhou Education Investment Company Limited 2) Sichuan Gao Investment Company Limited	China	Very Substantial Acquisition	51.0%	No	N/A	24.00%
28-June-2023	1085	Hengxin Technology Ltd	Zhejiang Zhongguang New Energy Technology Co., Ltd	China	Major Transaction	44.5%	Yes	22.60%	15.70%

Remarks:

- Location refers to the location of the valuation subject.
- For each circular we studied, if there are more than one valuation subject involved:
 - we report in the above table in separate rows per valuation subject; and
 - the CP and DLOM figures in each row weight equally in our statistical analysis, if any.

30 June 2023 Trailing 12-Months Research Summary

Publish Date	Stock Code	Listed Entity	Valuation Subject(s)	Location ¹	Transaction Type	Equity Stake (%)	Connected Transaction	CP Figure	DLOM Figure
29-Jul-2022	1230	Yashili International Holdings Ltd	Chilled Business JVs	China	Major Transaction	20.0%	Yes	N/A	9.60%
29-Jul-2022	1230	Yashili International Holdings Ltd	Chilled Business JVs	China	Major Transaction	20.0%	Yes	N/A	27.30%
02-Aug-2022	1563	International Alliance Financial Leasing Co., Ltd.	Yantai Nanshan University	China	Extreme Transaction	70.0%	Yes	33.90%	15.80%
29-Aug-2022	1395	ELL Environmental Holdings Limited	Haian Hengfa Wastewater Treatment Company Limited	China	Very Substantial Disposal	70.0%	No	N/A	16.20%
31-Aug-2022	1201	Tesson Holdings Limited	Nanjing Rongzhou Cultural Industry Investment Company Limited	China	Major Transaction	100.0%	No	10.00%	20.60%
14-Sep-2022	8349	Yunhong Guixin Group Holdings Limited	Nantong Deerhui Precision Equipment Technology Co., Ltd.	China	Major Transaction	100.0%	No	N/A	20.60%
15-Sep-2022	2799	China Huarong Asset Management Co., Ltd.	Huarong International Trust Co., Ltd	China	Major Transaction	76.8%	Yes	12.99%	N/A
20-Sep-2022	1693	BGMC International Limited	BGMC Bras Power Sdn Bhd	China	Very Substantial Disposal	95.0%	Yes	N/A	15.80%
26-Sep-2022	6919	Renrui Human Resources Technology Holdings Limited	Shanghai Sirui Information Technology Company Limited	China	Major Transaction	46.0%	No	12.00%	30.00%
30-Sep-2022	899	Asia Resources Holdings Limited	Spring Water Ding Dong Group Company Limited	China	Major Transaction	80.0%	Yes	N/A	25.00%
26-Oct-2022	1165	Shunfeng International Clean Energy Limited	Xinjiang Pu Xin Cheng Da Energy Technology Limited	China	Very Substantial Disposal	100.0%	No	24.80%	15.80%
30-Oct-2022	6828	Beijing Gas Blue Sky Holdings Limited	Beijing Gas Group (Teng County) Co., Ltd	China	Major Transaction	51.0%	Yes	31.00%	16.20%
13-Nov-2022	1098	Road King Infrastructure Limited	PT Jasamarga Semarang Batang	Indonesia	Major Transaction	39.8%	No	28.85%	27.34%

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21-Nov-2022	757	Solargiga Energy Holdings Limited	Qujing Yangguang New Energy Co., Ltd.	China	Very Substantial Disposal	45.0%	Yes	29.40%	31.10%
15-Dec-2022	3638	Huabang Technology Holdings Limited	Legend International Food Limited and Shag Mei International Food Limited	Hong Kong	Major Transaction	100.0%	No	26.50%	20.60%
23-Dec-2022	994	CT Vision S.L. (International) Holdings Limited	Win Win Way Investment Holdings Limited	Hong Kong	Major Transaction	100.0%	No	27.40%	20.60%
29-Dec-2022	8032	Viva China Holdings Limited	LionRock Capital Partners QiLe L.P. Limited	China	Very Substantial Acquisition	49.0%	Yes	N/A	35.00%
18-Jan-2023	3377	Sino-Ocean Group Holding Limited	Chengdu Qianhao Property Services Company Limited	China	Major Transaction	50.0%	No	N/A	25.60%
24-Feb-2023	834	China Kangda Food Company Limited	Qingdao Kangda-Eurolap Rabbit Selection Co., Ltd.	China	Major Transaction	70.03%	Yes	25.00%	15.80%
27-Feb-2023	750	China Shuifa Singyes Energy Holdings Limited	Shuifa Energy (Tongyu County) Co., Ltd. and Shuifa Clean Energy Co., Ltd.	China	Major Transaction	100.0%	Yes	20.00%	15.00%
28-Feb-2023	498	Blue River Holdings Limited	Paul Y. Engineering Group Limited	HK, China, Macau, SEA	Major Transaction	29.75%	Yes	N/A	15.80%
22-Mar-2023	472	New Silkroad Culturaltainment Limited	Beijing Chaolaichaowang Culture Media Company Limited	China	Major Transaction	100.0%	Yes	22.90%	15.80%
31-Mar-2023	1582	CR Construction Group Holdings Limited	Zhejiang Construction Investment Environment Engineering Company Limited	China	Major Transaction	100.0%	Yes	27.60%	20.60%
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Further Research and Analysis

The above table represents an extract of our comprehensive research. Further research data and analysis are available upon request.

For details, please contact Kenneth Ma, Director of Moore Transaction Services Limited, at kennethma@moore.hk.

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