

Control Premium & Discount for Lack of Marketability Study Issue 3 – 2022

	2 nd Quarter of 2022	Trailing 12-months
Cover Period	1 April 2022 to 30 June 2022	1 July 2021 to 30 June 2022
Published Notifiable Transactions Circular on HKEX	87	373
Including Full Valuation Reports with the Adoption of a Control Premium	4	26
Including Full Valuation Reports with the Adoption of a Discount for Lack of Marketability	6	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.

The findings are provisional: Moore Transaction Services Limited reserves the right, at its sole discretion and without notice, to amend, correct, restate, or withdraw any part or the whole of this study at any time, and the information is current only as at the preparation date. The study is provided "as is", with no representation or warranty of any kind (express or implied) as to accuracy, completeness, reliability, or fitness for purpose. To the maximum extent permitted by law, Moore Transaction Services Limited and its directors, officers, employees, and agents accept no liability for any loss or damage arising from any use of, or reliance on, it, and any use is entirely at the reader's own risk.

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.

2022 2nd Quarter Key Findings

Control Premium

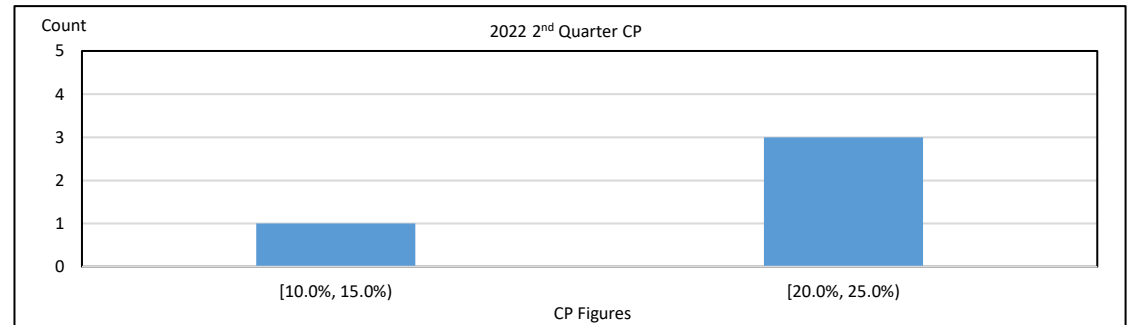
- 3 out of 87 circulars included valuation reports with the adoption of 4 control premium (“CP”).
- All of the valuers quoted figures from the ‘Control Premium Study’ by FactSet Mergerstat, LLC.

Table 1(a) Summary Statistics of CP adopted

CP Range	CP Average	CP Median	CP Upper Quartile	CP Lower Quartile
10.0% - 20.2%	17.6%	20.0%	20.1%	17.5%

Table 1(b) Sources of CP

‘Control Premium Study’ by FactSet Mergerstat, LLC	Others
4	N/A



Discount for Lack of Marketability

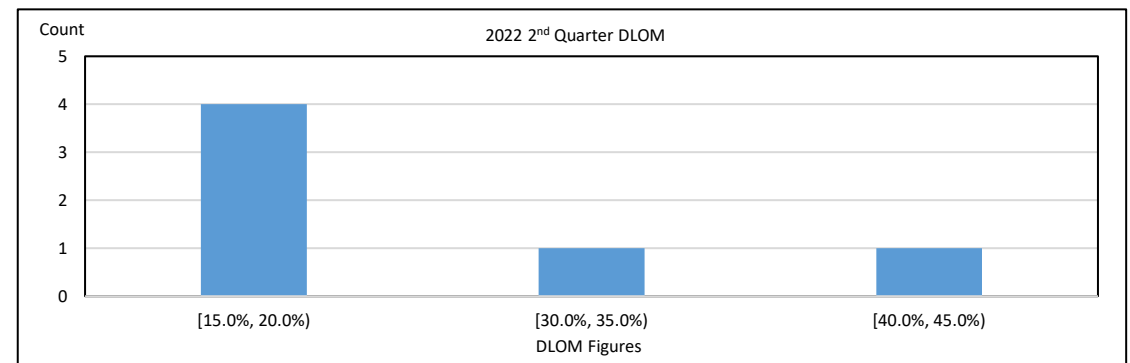
- 5 out of 87 circulars included valuation reports with the adoption of 6 discount for lack of marketability (“DLOM”).
- 83.0% of valuers quoted figures from the ‘Stout Restricted Stock Study Companion Guide’ by Stout Risius Ross, LLC.
- 17.0% of the valuations derived DLOMs based on the European Put Option Model.

Table 2(a) Summary Statistics of DLOM adopted

DLOM Range	DLOM Average	DLOM Median	DLOM Upper Quartile	DLOM Lower Quartile
15.8% - 42.9%	22.7%	15.8%	26.5%	15.8%

Table 2(b) Sources of DLOM

‘Stout Restricted Stock Study Companion Guide’ by Stout Risius Ross, LLC	Others
5	1



30 June 2022 Trailing 12-Months Key Findings

Control Premium

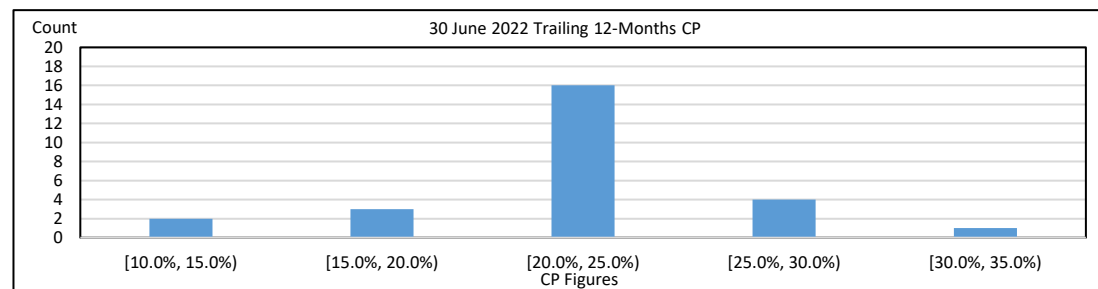
- 18 out of 373 circulars included valuation reports with the adoption of 26 control premium.
- 80.0% of valuers quoted figures from the 'Control Premium Study' by FactSet Mergerstat, LLC.
- 20.0% of valuers quoted figures from other sources.

Table 3(a) Summary Statistics of CP adopted

CP Range	CP Average	CP Median	CP Upper Quartile	CP Lower Quartile
10.0% - 33.4%	21.0%	20.0%	24.8%	20.0%

Table 3(b) Sources of CP

'Control Premium Study' by FactSet Mergerstat, LLC	Others
21	5



Discount for Lack of Marketability

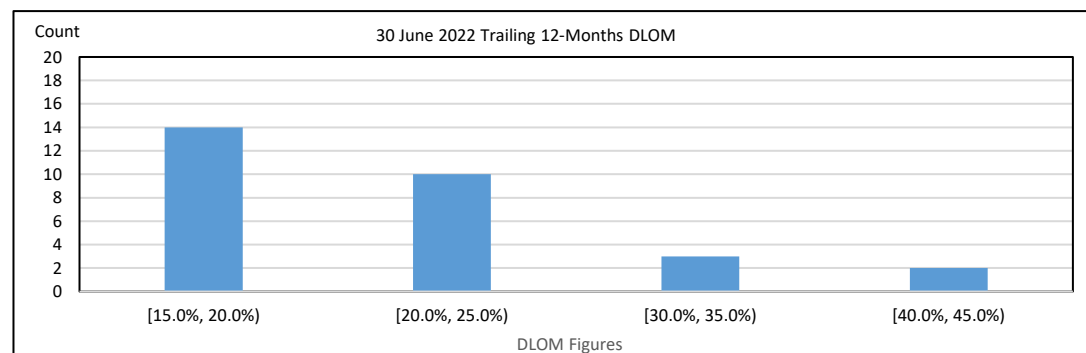
- 21 out of 373 circulars included valuation reports with the adoption of 29 discount for lack of marketability.
- 76.0% of valuers quoted figures from the 'Stout Restricted Stock Study Companion Guide' by Stout Risius Ross, LLC.
- 24.0% of valuers quoted figures from other sources.

Table 4(a) Summary Statistics of DLOM adopted

DLOM Range	DLOM Average	DLOM Median	DLOM Upper Quartile	DLOM Lower Quartile
15.0% - 42.9%	20.9%	20.0%	20.6%	15.8%

Table 4(b) Sources of DLOM

'Stout Restricted Stock Study Companion Guide' by Stout Risius Ross, LLC	Others
22	7



FY 2022 2nd Quarter Research Summary

Publish Date	Stock Code	Listed Entity	Valuation Subject	Location ¹	Transaction Type	Size ²	Connected Transaction	CP Figure	DLOM Figure
29-06-2022	8480	Furniweb Holdings Limited	Energy Solution Global Limited	China	Major Transaction	62.8%	Yes	20.2%	15.8%
27-06-2022	1938	Chu Kong Petroleum and Natural Gas Steel Pipe Holdings Limited	Al-Qahtani PCK Pipe Company	Saudi Arabia	Major Transaction	50.0%	No	N/A	15.8%
06-06-2022	1555	MIE Holdings Corporation	Palaeontol B.V.	Netherlands	Very Substantial Disposal	40.0%	No	N/A	30.0%
19-05-2022	295	Kong Sun Holdings Limited	Baofeng Xintai Photovoltaic Power Technology Development Limited	China	Major Transaction	50.0%	No	20.0%	42.9%
19-05-2022	295	Kong Sun Holdings Limited	Jiyuan Dayu Jiangshan Photovoltaic Power Generation Limited	China	Major Transaction	100.0%	No	20.0%	15.8%
20-04-2022	2668	Pak Tak International Limited	Golden Affluent Limited	China	Major Transaction	14.7%	No	10.0%	15.8%

Remarks:

1. Location refers to the location of the valuation subject.
2. Size refers to the percentage of equity stake in transaction of the valuation subject involved.
3. 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 2022 Trailing 12-Months Research Summary

Publish Date	Stock Code	Listed Entity	Valuation Subject	Location ¹	Transaction Type	Size ²	Connected Transaction	CP Figure	DLOM Figure
29-06-2022	8480	Furniweb Holdings Limited	Energy Solution Global Limited	China	Major Transaction	62.8%	Yes	20.2%	15.8%
27-06-2022	1938	Chu Kong Petroleum and Natural Gas Steel Pipe Holdings Limited	Al-Qahtani PCK Pipe Company	Saudi Arabia	Major Transaction	50.0%	No	N/A	15.8%
06-06-2022	1555	MIE Holdings Corporation	Palaeontol B.V.	Netherlands	Very Substantial Disposal	40.0%	No	N/A	30.0%
19-05-2022	295	Kong Sun Holdings Limited	Baofeng Xintai Photovoltaic Power Technology Development Limited	China	Major Transaction	50.0%	No	20.0%	42.9%
19-05-2022	295	Kong Sun Holdings Limited	Jiyuan Dayu Jiangshan Photovoltaic Power Generation Limited	China	Major Transaction	100.0%	No	20.0%	15.8%
20-04-2022	2668	Pak Tak International Limited	Golden Affluent Limited	China	Major Transaction	14.7%	No	10.0%	15.0%
24-03-2022	1195	Kingwell Group Limited	Shenzhen Hailian and Huiyang Peninsula One	China	Very Substantial Acquisition	51.0%	Yes	20.6%	24.8%
23-03-2022	827	Ko Yo Chemical (Group) Limited	Jiangsu Bluestar Green Material Co., Ltd.	China	Major Transaction	90.0%	Yes	N/A	15.8%
21-02-2022	1358	PW Medtech Group Limited	Beijing Ruijian High-Tech Biological Technology Co., Ltd.	China	Major Transaction	58.2%	Yes	N/A	15.5%
21-01-2022	3963	China Rongzhong Financial Holdings Company Limited	Guizhou Zhongtie Xinglong Property Management Co., Ltd.	China	Major Transaction	51.0%	Yes	25.5%	24.0%
18-01-2022	1969	China Chunlai Education Group Co., Ltd.	Tianping College of Suzhou University of Science and Technology	China	Major Transaction	100.0%	No	28.8%	16.3%
24-12-2021	1165	Shunfeng International Clean Energy Limited	Hebei Sanlong SPA & Shangyi County Shunneng SPA	China	Very Substantial Disposal	100.0%	No	24.8%	15.8%
24-12-2021	6093	Hevol Services Group Co. Limited	Guizhou Zhongtie Xinglong Property Management Co., Ltd.	China	Major Transaction	70.0%	No	24.8%	20.6%

Publish Date	Stock Code	Listed Entity	Valuation Subject	Location ¹	Transaction Type	Size ²	Connected Transaction	CP Figure	DLOM Figure
15-12-2021	3816	KFM Kingdom Holdings Limited	Kingdom (Reliance) Precision Parts Manufactory Ltd.	China	Major Transaction	100.0%	Yes	17.9%	15.8%
10-12-2021	2222	NVC International Holdings Limited	Brilliant Lights International Holding Pte. Ltd.	Singapore	Non-Exercise of the Subscription Right	30.0%	Yes	N/A	30.9%
25-11-2021	8305	Tong Kee (Holding) Limited	Treasure Mark Global Ltd.	China	Major Transaction	100.0%	No	25.0%	15.8%
24-11-2021	1165	Shunfeng International Clean Energy Limited	Baoshan Changshan SPA, Junxin SPA & Kezhou Baishide SPA	China	Very Substantial Disposal	100.0%	No	24.8%	15.8%
23-11-2021	152	Shenzhen International Holdings Limited	Shenzhen Investment International Capital Holdings Infrastructure Co., Ltd.	China	Major Transaction	60.0%	Yes	15.0%	N/A
23-11-2021	548	Shenzhen Expressway Company Limited	Shenzhen Investment International Capital Holdings Infrastructure Co., Ltd.	China	Major Transaction	60.0%	Yes	15.0%	N/A
28-10-2021	8279	AGTech Holdings Limited	Macau Pass Holding Ltd.	China	Very Substantial Acquisition	1.0%	Yes	27.2%	15.8%
30-09-2021	8365	VBG International Holdings Limited	Apec Group International Ltd.	China	Major Transaction	6.7%	No	33.4%	15.8%
17-09-2021	8319	Expert Systems Holdings Limited	ServiceOne International Holdings Ltd.	China	Very Substantial Acquisition	70.0%	No	12.0%	30.0%
17-09-2021	372	PT International Development Corporation Limited	Thousand Vantage	China	Very Substantial Acquisition	65.0%	No	20.6%	18.1%
30-08-2021	295	Kong Sun Holdings Limited	Dunhuang Wanfa New Energy Ltd.	China	Very Substantial Disposal	60.0%	No	20.0%	20.0%
30-08-2021	295	Kong Sun Holdings Limited	Jinta Yongjia New Energy Ltd.	China	Very Substantial Disposal	60.0%	No	20.0%	40.0%
30-08-2021	295	Kong Sun Holdings Limited	Gansu Hongyuan Photovoltaic Ltd.	China	Very Substantial Disposal	60.0%	No	20.0%	40.0%
30-08-2021	295	Kong Sun Holdings Limited	Hualong County Ruiqida New Energy Ltd.	China	Very Substantial Disposal	60.0%	No	20.0%	40.0%

Publish Date	Stock Code	Listed Entity	Valuation Subject	Location ¹	Transaction Type	Size ²	Connected Transaction	CP Figure	DLOM Figure
30-08-2021	295	Kong Sun Holdings Limited	Huanghua Zhengyang New Energy Ltd.	China	Very Substantial Disposal	60.0%	No	20.0%	40.0%
30-08-2021	295	Kong Sun Holdings Limited	Lintan Tianlang New Energy Technology Co., Ltd.	China	Very Substantial Disposal	60.0%	No	20.0%	40.0%
30-08-2021	295	Kong Sun Holdings Limited	Jiayuguan Xiehe New Energy Co. Ltd.	China	Very Substantial Disposal	60.0%	No	20.0%	40.0%

Remarks:

1. Location refers to the location of the valuation subject.
2. Size refers to the percentage of equity stake in transaction of the valuation subject involved.
3. 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.

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.

How Moore Transaction Services Can Help

- Moore is a global accounting and advisory network with more than 600 offices in over 110 countries across the globe.
- Our clients range from quoted companies and large private companies to smaller owner-managed businesses, covering a wide variety of industry sectors.
- Our Transaction Services Team comprises charter holders or members of professional bodies such as CFA, CAIA, RICS and HKICPA.
- We have extensive sector knowledge to provide customised advice to suit each client, considering their size, capabilities and goals.
- Backed by our international network, we have the capabilities to provide clients with all solutions and expertise they require and wherever they choose to do business.

Contact Us

Patrick A. Rozario
Transaction Services Managing Director

T +852 2738 7769

E patrickrozario@moore.hk



Kenneth Ma
Transaction Services Director

T +852 2738 4633

E kennethma@moore.hk

