



The information contained within this announcement is deemed to constitute inside information as stipulated under Article 7 of EU Regulation 596/2014 (which forms part of domestic UK law pursuant to the European Union (Withdrawal) Act 2018). Upon the publication of this announcement, this inside information is now considered to be in the public domain.

22 December 2023

Bowen Fintech plc
(“Bowen” or the “Company”)

Proposed Acquisition and Temporary Suspension of Trading in the Company’s Ordinary Shares

Bowen (LSE: BWN), a special purpose acquisition company formed to acquire businesses in the technology innovations sector with a focus on the financial services industry, is pleased to announce that it has signed conditional, non-legally binding heads of terms to acquire 93.49 per cent of the issued share capital of MINNADEOOYASAN-HANBAI Co., Ltd (“MOH”) (“Acquisition”).

About MOH

MOH is a leading crowdfunding services platform in Japan and solution provider for investors seeking returns from investment into real estate. MOH was incorporated in 1998 with its head office in Tokyo, and is regulated under the Real Estate Specified Joint Venture Act. It commenced crowdfunding services in 2007.

In the last 16 years, MOH has arranged over JPY 217 billion (c. £1.3 billion) in capital raising from the Japanese market, with approximately JPY 62 billion (c. £378 million) raised in its financial year ending 31 March 2023.

MOH is majority owned by Kyosei Bank Co., Ltd (“KBC”), a privately owned company in Japan, and provides crowdfunding services to a property holding and management company within the same corporate group as KBC. This provides MOH with a proprietary pipeline of projects to facilitate funds for, and (where it has the resources to do so) occasionally MOH itself may participate in, the acquisition of land for development.

In addition to traditional real estate asset classes such as residential and commercial, MOH is seeking to facilitate funding for technology-driven commercial projects, such as cold-chain logistics facilities, state-of-the-art medical facilities and the revival of traditional cultural parks. MOH intends to participate in building cutting-edge cold-chain logistics infrastructure in Japan and expects to replicate this model in ASEAN countries and beyond in the future as part of its growth strategy.

MOH is profitable, reporting EBITDA of JPY 519 million (c. £3.2 million) on revenues of JPY 5.6 billion (c. £34.3 million) in the year to 31 March 2023. In the six-month period to 30 September 2023, MOH management accounts reported (unaudited) EBITDA of JPY 2.1 billion (c. £11.6 million) on revenues of JPY 4.9 billion (c. £27.8 million). Unaudited net assets as at 30 September 2023 were JPY 4.8 billion (c. £26.4 million).

The directors of MOH are of the opinion that a listing by way of a reverse takeover of Bowen by MOH (the “Enlarged Group”) will enhance its brand and profile in Japan and internationally, enable access to additional real estate portfolios internationally, thus diversifying risk, and access to fresh equity capital in the future to accelerate its growth strategy, particularly in the area of technology-related real estate.

The listing will also support MOH in attracting and retaining senior professionals both locally in Japan and internationally. Following the Acquisition, it is the intention of the Enlarged Group to grow its presence in the UK.

The Acquisition

The Company has entered into conditional, non-legally binding heads of terms with MOH and KBC to acquire 93.49 per cent of the issued share capital of MOH from KBC for a consideration of approximately £34.47 million to be satisfied through the issue of new ordinary shares of 1p each in the Company (“Ordinary Shares”), at a price of 15p per new Ordinary Share (the “Offer Price”). The Offer Price represents a premium of 25 per cent to the closing middle market price of 12p per Ordinary Share on 21 December 2023, being the closing middle market price the day prior to the release of this announcement.

The Acquisition is conditional upon, among other things:

- the completion of satisfactory due diligence by both parties;
- the negotiation and the entry into legally binding documentation;
- any requisite third party consents being obtained;
- the re-admission of the Company’s enlarged share capital to the Official List of the Financial Conduct Authority (“FCA”) (by way of a Standard Listing under Chapter 14 of the Listing Rules) and to trading on London Stock Exchange Group Plc’s (the “LSE”) Main Market for listed securities; and
- a waiver being granted by the Panel on Takeovers and Mergers of any requirement under Rule 9 of the Takeover Code that would otherwise arise on KBC to make a general offer to the Company’s shareholders as a result of the issue of the new Ordinary Shares at the Offer Price to it on completion.

It is currently anticipated by the directors of Bowen that on re-admission the market capitalisation of the Enlarged Group would be approximately £42.72 million, based on the Offer Price, with KBC holding approximately 80.7 per cent of the issued share capital of the Enlarged Group and existing Bowen shareholders holding approximately 19.3 per cent of the issued share capital of the Enlarged Group.

Subject to review of the Enlarged Group’s working capital, it is not intended that new capital will be raised as part of the Acquisition and re-admission.

Suspension of Ordinary Shares

The Acquisition will on completion constitute a reverse takeover under Chapter 5.6 of the FCA’s Listing Rules since, *inter alia*, in substance it would result in a fundamental change in the ownership and business of the Company. The Company has therefore applied for and has been granted a temporary suspension of the listing on the Official List of the FCA of its Ordinary Shares and its trading on the Main Market for listed securities with effect from 7.30 am this morning until such time as it publishes a prospectus in relation to the Acquisition or it being announced that the Acquisition will not proceed.

As the Acquisition would constitute a reverse takeover under the Listing Rules, on completion of the Acquisition, application would need to be made to the FCA and the LSE for the immediate re-admission of the issued and to be issued share capital of the Enlarged Group to the Official List (by

way of a Standard Listing under Chapter 14 of the Listing Rules) and to trading on the LSE's Main Market for listed securities.

Further announcements will be made, as appropriate, in due course.

Enquiries

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Caution regarding forward looking statements

Certain statements in this announcement, are, or may be deemed to be, forward looking statements. Forward looking statements are identified by their use of terms and phrases such as "believe", "could", "should" "envisage", "estimate", "intend", "may", "plan", "potentially", "expect", "will" or the negative of those, variations or comparable expressions, including references to assumptions. These forward-looking statements are not based on historical facts but rather on the Directors' current expectations and assumptions regarding the Company's future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities. Such forward looking statements reflect the Directors' current beliefs and assumptions and are based on information currently available to the Directors.