

THIS COMPOSITE DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of the Offers, this Composite Document and/or the accompanying Forms of Acceptance or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Royal Group Holdings International Company Limited, you should at once hand this Composite Document and the accompanying Forms of Acceptance to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Composite Document and the accompanying Forms of Acceptance, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Composite Document and the accompanying Forms of Acceptance.

This Composite Document should be read in conjunction with the accompanying Forms of Acceptance, the contents of which form part of the terms and conditions of the Offers.

SKY SHIELD INVESTMENT LIMITED

天盾投資有限公司

(Incorporated in the British Virgin Islands with limited liability)

**ROYAL GROUP HOLDINGS
INTERNATIONAL COMPANY LIMITED**

皇璽集團控股國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8300)

**COMPOSITE DOCUMENT RELATING TO
MANDATORY UNCONDITIONAL CASH OFFERS BY
SORRENTO SECURITIES LIMITED FOR AND ON BEHALF OF
SKY SHIELD INVESTMENT LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF
ROYAL GROUP HOLDINGS INTERNATIONAL COMPANY LIMITED
AND TO CANCEL ALL OUTSTANDING OPTIONS OF
ROYAL GROUP HOLDINGS INTERNATIONAL COMPANY LIMITED
(OTHER THAN THOSE SHARES ALREADY
OWNED AND/OR AGREED TO BE ACQUIRED
BY SKY SHIELD INVESTMENT LIMITED AND
PARTIES ACTING IN CONCERT WITH IT)**

Financial Adviser to the Offeror



Independent Financial Adviser to the Independent Board Committee



Unless the context otherwise requires, capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this Composite Document.

A letter from Sorrento Securities containing, among other things, details of the terms of the Offers, is set out on pages 11 to 23 of this Composite Document.

A letter from the Board is set out on pages 24 to 31 of this Composite Document. A letter from the Independent Board Committee is set out on pages 32 to 33 of this Composite Document. A letter from the Independent Financial Adviser, containing its advice to the Independent Board Committee, the Independent Shareholders and the Optionholders, is set out on pages 34 to 54 of this Composite Document.

The procedures for acceptance and settlement of the Offers are set out in Appendix I to this Composite Document and in the accompanying Forms of Acceptance. Forms of Acceptance of the Offers must be received by the Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong or the company secretary of the Company (as the case may be) by no later than 4:00 p.m. on Monday, 20 November 2023 (Hong Kong time), (or such later time and/or date as the Offeror may determine and the Offeror and the Company may jointly announce with the consent of the Executive in accordance with the Takeovers Code).

Any persons including, without limitation, custodians, nominees and trustees, who would, or otherwise intend to, forward this Composite Document and/or the accompanying Forms of Acceptance to any jurisdiction outside Hong Kong should read the section headed "IMPORTANT NOTICE" in this Composite Document before taking any action. It is the responsibility of the Overseas Shareholders and 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, exchange control or other consents and any registration or filing which may be required or the compliance with other necessary formalities, or legal and regulatory requirements and the payment of any transfer or other taxes or other required payments due from such Overseas Shareholder or Overseas Optionholder in respect of such jurisdictions. Overseas Shareholders and Overseas Optionholders are advised to seek professional advice on deciding whether to accept the Offers.

This Composite Document will remain on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.hkreg.com as long as the Offers remain open.

30 October 2023

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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EXPECTED TIMETABLE

The expected timetable set out below is indicative only and may be subject to changes. Further announcement(s) will be made in the event of any changes to the timetable as and when appropriate. Unless otherwise specified, all time and date references contained in this Composite Document the accompanying Forms of Acceptance refer to Hong Kong time and dates.

Event	Time & Date
	2023
Despatch date of this Composite Document and the accompanying Forms of Acceptance and commencement date of the Offers (<i>Note 1</i>)	Monday, 30 October
Offers open for acceptance (<i>Note 1</i>)	Monday, 30 October
Latest time and date for acceptance of the Offers (<i>Notes 2, 3 and 5</i>)	by 4:00 p.m. on Monday, 20 November
Closing Date (<i>Notes 3 and 5</i>)	Monday, 20 November
Announcement of the results of the Offers (or their extension or revision, if any) on the website of the Stock Exchange (<i>Notes 3 and 5</i>)	no later than 7:00 p.m. on Monday, 20 November
Latest date for posting of remittances in respect of valid acceptances received under the Offers (<i>Notes 4 and 5</i>)	Wednesday, 29 November

Notes:

1. The Offers, which are unconditional in all respects, are made on the date of posting of this Composite Document, and are capable of acceptance on and from that date until 4:00 p.m. on the Closing Date, unless the Offeror decides to revise or extend the Offers in accordance with the Takeovers Code. Acceptances of the Offers shall be irrevocable and not capable of being withdrawn, except in the circumstances set out in the paragraph headed "8. Right of Withdrawal" in Appendix I to this Composite Document.
2. Beneficial owners of Shares who hold their Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant should note the timing requirements (as set out in Appendix I to this Composite Document) for causing instructions to be made to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures.

EXPECTED TIMETABLE

3. In accordance with the Takeovers Code, the Offers must initially be open for acceptance for at least 21 days after the date of this Composite Document. The latest time and date for acceptance of the Offers is 4:00 p.m. on Monday, 20 November 2023 unless the Offeror revises or extends the Offers in accordance with the Takeovers Code. An announcement will be issued jointly by the Offeror and the Company through the website of the Stock Exchange by no later than 7:00 p.m. on the Closing Date stating whether the Offers have been extended, revised or expired. In the event that the Offeror decides to revise or extend the Offers, all Independent Shareholders and Optionholders, whether or not they have already accepted the Offers, will be entitled to accept the revised Offers under the revised terms. The revised Offers must be kept open for at least 14 days after the date of the revised offer document(s) and shall not close earlier than the Closing Date.
4. Remittances in respect of the cash consideration (after deducting the seller's ad valorem stamp duty) payable for the Offer Shares and/or the Options tendered under the Offers will be despatched to the Independent Shareholders and/or the Optionholders accepting the Offers by ordinary post at their own risk as soon as possible, but in any event no later than seven (7) Business Days after the date of receipt of all relevant documents required to render such acceptance complete and valid in accordance with the Takeovers Code.
5. The latest time and date for acceptance of the Offers and the latest date for posting of remittances for the amounts due under the Offers in respect of valid acceptances will not take effect if there is a tropical cyclone warning signal number 8 or above, or a "black rainstorm warning signal", or "extreme condition" caused by super typhoon, in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the latest date for acceptance of the Offers and the latest date for posting of remittances for the amounts due under the Offers in respect of valid acceptances. In such cases, the latest time for acceptance of the Offers will be rescheduled to 4:00 p.m. on the following Business Day and the date of posting of remittances will be rescheduled to the following Business Day which does not have either of those warnings or condition in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m. or such other day as the Executive may approve.

Save as mentioned above, if the latest time for acceptance of the Offers do not take effect on the date and time as stated above, the other dates mentioned above may be affected. The Offeror and the Company will notify the Independent Shareholders and the Optionholders by way of joint announcement(s) on any change to the expected timetable as soon as practicable.

IMPORTANT NOTICE

NOTICE TO THE OVERSEAS SHAREHOLDERS AND OVERSEAS OPTIONHOLDERS

The making of the Offers to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or affected by the laws or regulations of the relevant jurisdictions. Overseas Shareholders and Overseas Optionholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should inform themselves about and observe any applicable legal and regulatory requirements and, where necessary, seek legal advice in respect of the Offers.

It is the responsibility 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 jurisdiction in connection with the acceptance of the Offers, including the obtaining of any governmental, exchange control or other consents and any registration or filing which may be required or the compliance with other necessary formalities, legal and/or regulatory requirements and the payment of any issue, transfer, cancellation or other taxes and duties due by such Overseas Shareholders and Overseas Optionholders in respect of the acceptance of the Offers in such jurisdictions.

The Offeror and the parties acting in concert with it, the Company, Sorrento Capital, Sorrento Securities, Ample Capital, the Registrar, the company secretary of the Company or any of their respective ultimate beneficial owners, directors, officers, agents, advisers and associates and any other person involved in the Offers shall be entitled to be fully indemnified and held harmless by the Overseas Shareholders and Overseas Optionholders for any taxes or duties as such persons may be required to pay. Please see the paragraphs headed “Availability of the Offers” in the “Letter from Sorrento Securities” and “9. Overseas Shareholders and Overseas Optionholders” in Appendix I to this Composite Document.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Composite Document contains forward-looking statements, which may be identified by words such as “believe”, “expect”, “anticipate”, “intend”, “plan”, “seek”, “estimate”, “will”, “would” or words of similar meaning, that involve risks and uncertainties, as well as assumptions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. The forward-looking statements included herein are made only as at the Latest Practicable Date. The Offeror and the Company assume no obligation to correct or update the forward-looking statements or opinions contained in this Composite Document, except as required pursuant to applicable laws or regulations, including but not limited to the GEM Listing Rules and/or the Takeovers Code.

DEFINITIONS

In this Composite Document, unless the context otherwise requires, the following expressions shall have the following meaning:

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	a day on which the Stock Exchange is open for the transaction of business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“close associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Closing Date”	Monday, 20 November 2023, being the closing date of the Offers, which is no less than 21 days after the date of this Composite Document, or if the Offers are extended, any subsequent closing date of the Offers as may be determined by the Offeror and jointly announced by the Offeror and the Company in accordance with the Takeovers Code
“Company”	Royal Group Holdings International Company Limited (皇璽集團控股國際有限公司), a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM of the Stock Exchange (stock code: 8300)
“Completion”	(i) completion of the sale and purchase of the 1,729,440,000 Sale Shares in accordance with the terms and conditions of Sale and Purchase Agreement 1, which took place on the Completion Date; and (ii) completion of the sale and purchase of the 250,000,000 Sale Shares in accordance with the terms and conditions of Sale and Purchase Agreement 2, which took place on the Completion Date
“Completion Date”	3 October 2023

DEFINITIONS

“Composite Document”	this composite offer and response document jointly issued by the Offeror and the Company to the Independent Shareholders and the Optionholders in connection with the Offers in compliance with the Takeovers Code containing, among other things, details of the Offers (accompanied by the Forms of Acceptance) and the respective letters of advice from the Independent Board Committee and the Independent Financial Adviser
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Consideration”	(i) the purchase price for the sale and purchase of the 1,729,440,000 Sale Shares under Sale and Purchase Agreement 1 (being HK\$55,342,080); and (ii) the purchase price for the sale and purchase of the 250,000,000 Sale Shares under Sale and Purchase Agreement 2 (being HK\$8,000,000)
“Director(s)”	director(s) of the Company
“Encumbrances”	any lien, pledge, encumbrance, charge (fixed or floating), mortgage, third party claim, debenture, option, right of pre-emption, right to acquire, assignment by way of security, trust arrangement for the purpose of providing security or other security interests of any kind, including retention arrangements or other encumbrances and any agreement to create any of the foregoing
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Form(s) of Acceptance”	the WHITE form of acceptance and transfer of the Offer Shares in respect of the Share Offer and the PINK form of acceptance and cancellation of all outstanding Options in respect of the Option Offer
“Fortune Round”	Fortune Round Limited, a company incorporated in the British Virgin Islands, which is legally, beneficially and wholly owned by Mr. Wong. Fortune Round is one of the Selling Shareholders
“GEM”	GEM operated by the Stock Exchange

DEFINITIONS

“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent board committee of the Board (comprising all of the three independent non-executive Directors, namely Mr. Ma Yiu Ho Peter, Mr. Cai Chun Fai and Mr. Ng Sai Cheong) which has been established to advise the Independent Shareholders and the Optionholders in connection with the Offers and as to the acceptance of the Offers
“Independent Financial Adviser” or “Ample Capital”	Ample Capital Limited, a corporation licensed by the SFC to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee, the Independent Shareholders and the Optionholders in connection with the Offers
“Independent Shareholder(s)”	the Shareholder(s), other than the Offeror and parties acting in concert with it (including Mr. Zhou and Ms. Kong)
“Independent Third Party(ies)”	party(ies) independent of and not connected with the Company and its connected persons
“Joint Announcement”	the announcement jointly published by the Offeror and the Company dated 9 October 2023 in relation to, among other things, the Offers pursuant to Rule 3.5 of the Takeovers Code
“Keenfull Investments”	Keenfull Investments Limited, a company incorporated in the British Virgin Islands, which is legally, beneficially and wholly owned by Mr. Li Chi Keung who is the father of Ms. Li Wing Yin (spouse of Mr. Wong) and the father-in-law of Mr. Wong. Keenfull Investments is one of the Selling Shareholders

DEFINITIONS

“Last Trading Day”	29 September 2023, being the last trading day of the Shares on GEM immediately prior to the suspension of trading in the Shares pending the publication of the Joint Announcement
“Latest Practicable Date”	27 October 2023, being the latest practicable date prior to the printing of this Composite Document for ascertaining certain information contained herein
“Mr. Wong” or “Mr. Wong Man Wai”	Mr. Wong Man Wai, an executive Director, the chairman of the Board, the chief executive officer of the Company, and one of the Selling Shareholders
“Mr. Zhou”	Mr. Zhou Feng, the sole legal and beneficial owner and the sole director of the Offeror
“Ms. Kong”	Ms. Kong Yuen Man, a party acting in concert with the Offeror
“Offer Period”	has the meaning ascribed to it under the Takeovers Code, being the period commencing on 9 October 2023 (i.e. the date of the Joint Announcement), and ending on the Closing Date, or such other time and/or date to which the Offeror may decide to extend or revise the Offers in accordance with the Takeovers Code
“Offer Share(s)”	all of the issued Share(s), other than those already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it
“Offeror”	Sky Shield Investment Limited (天盾投資有限公司), a company incorporated in the British Virgin Islands, which is legally, beneficially and wholly owned by Mr. Zhou
“Offers”	the Share Offer and the Option Offer
“Option(s)”	share option(s) granted by the Company pursuant to the Share Option Scheme, whether vested or not
“Optionholder(s)”	the holder(s) of the Options

DEFINITIONS

“Option Offer”	the mandatory unconditional cash offer made by Sorrento Securities for and on behalf of the Offeror in compliance with Rule 13 of the Takeovers Code to cancel all outstanding Options in accordance with the terms and conditions set out in this Composite Document
“Option Offer Price”	the price of HK\$0.0001 per Option at which the Option Offer is made in cash
“Overseas Optionholder(s)”	Optionholder(s) whose address(es), as shown on the register of optionholders of the Company, is/are outside Hong Kong
“Overseas Shareholder(s)”	Independent Shareholder(s) whose address(es), as shown on the register of members of the Company, is/are outside Hong Kong
“ PINK Form of Option Offer Acceptance”	the PINK form of acceptance and cancellation of all outstanding Options in respect of the Option Offer
“Registrar”	Tricor Investor Services Limited, the Hong Kong branch share registrar and transfer office of the Company, with its address at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
“Relevant Period”	the period from 9 April 2023, being the date falling six months preceding the commencement of the Offer Period, up to and including the Latest Practicable Date
“Sale and Purchase Agreement 1”	the sale and purchase agreement dated 29 September 2023 entered into between the Offeror and the Selling Shareholders in relation to the sale and purchase of the 1,729,440,000 Sale Shares
“Sale and Purchase Agreement 2”	the sale and purchase agreement dated 29 September 2023 entered into between Ms. Kong and Fortune Round in relation to the sale and purchase of the 250,000,000 Sale Shares
“Sale and Purchase Agreements”	Sale and Purchase Agreement 1 and Sale and Purchase Agreement 2

DEFINITIONS

“Sale Shares”	an aggregate of 1,979,440,000 Shares sold pursuant to the Sale and Purchase Agreements, representing approximately 74.88% of the total number of issued Shares as at the Latest Practicable Date, comprising (i) an aggregate of 1,729,440,000 Shares sold by the Selling Shareholders to the Offeror pursuant to Sale and Purchase Agreement 1, representing approximately 65.42% of the total number of issued Shares as at the Latest Practicable Date; and (ii) 250,000,000 Shares sold by Fortune Round to Ms. Kong pursuant to Sale and Purchase Agreement 2, representing approximately 9.46% of the total number of issued Shares as at the Latest Practicable Date
“Selling Shareholders”	Fortune Round, Mr. Wong and Keenfull Investments, who held approximately 56.75%, 6.13% and 12.00%, respectively, of the total number of issued Shares immediately before Completion. Immediately after Completion and as at the Latest Practicable Date, the Selling Shareholders ceased to hold any issued Share. As at the Latest Practicable Date, none of the Selling Shareholders were an Optionholder
“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) of HK\$0.01 each in the share capital of the Company
“Share Offer”	the mandatory unconditional cash offer made by Sorrento Securities for and on behalf of the Offeror to acquire all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it) pursuant to Rule 26.1 of the Takeovers Code
“Share Offer Price”	the price of HK\$0.032 per Offer Share at which the Share Offer is made in cash
“Share Option Scheme”	the share option scheme adopted by the Company on 21 July 2016, as amended from time to time
“Shareholder(s)”	holder(s) of the issued Share(s)

DEFINITIONS

“Sorrento Capital”	Sorrento Capital Limited, a corporation licensed by the SFC to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the financial adviser to the Offeror in respect of the Offers
“Sorrento Securities”	Sorrento Securities Limited, a corporation licensed by the SFC to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO, being the agent making the Offers for and on behalf of the Offeror
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“ WHITE Form of Share Offer Acceptance”	the WHITE form of acceptance and transfer of the Offer Shares in respect of the Share Offer
“%”	per cent



To the Independent Shareholders and the Optionholders

30 October 2023

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFERS BY
SORRENTO SECURITIES LIMITED FOR AND ON BEHALF OF
SKY SHIELD INVESTMENT LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF
ROYAL GROUP HOLDINGS INTERNATIONAL COMPANY LIMITED
AND TO CANCEL ALL OUTSTANDING OPTIONS OF
ROYAL GROUP HOLDINGS INTERNATIONAL COMPANY LIMITED
(OTHER THAN THOSE SHARES ALREADY
OWNED AND/OR AGREED TO BE ACQUIRED
BY SKY SHIELD INVESTMENT LIMITED AND
PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

Reference is made to the Joint Announcement jointly published by the Offeror and the Company dated 9 October 2023 in relation to, among other things, the Sale and Purchase Agreements and the Offers.

On 29 September 2023 (after trading hours): (i) the Offeror (as purchaser) and the Selling Shareholders (as vendors) entered into Sale and Purchase Agreement 1, pursuant to which the Selling Shareholders agreed to sell, and the Offeror agreed to acquire, the full legal and beneficial title and interest in the Sale Shares (being an aggregate of 1,729,440,000 Shares), representing approximately 65.42% of the total issued share capital of the Company as at the Latest Practicable Date, at a total consideration of HK\$55,342,080, which is equivalent to HK\$0.032 per Sale Share; and (ii) Ms. Kong (as purchaser) and Fortune Round (as vendor) entered into Sale and Purchase Agreement 2, pursuant to which Fortune Round agreed to sell, and Ms. Kong agreed to acquire, the full legal and beneficial title and interest in the Sale Shares (being an aggregate of 250,000,000 Shares), representing approximately 9.46% of the total issued share capital of the Company as at the Latest Practicable Date, at a total consideration of HK\$8,000,000, which is equivalent to HK\$0.032 per Sale Share. Completion of the Sale and Purchase Agreements took place on 3 October 2023.

LETTER FROM SORRENTO SECURITIES

Immediately following Completion and as at the Latest Practicable Date, the Offeror, the ultimate beneficial owner of the Offeror (i.e. Mr. Zhou) and the parties acting in concert with any of them (including Ms. Kong) held a total of 2,128,420,000 Shares (comprising the 148,980,000 Shares which Mr. Zhou held, the 1,729,440,000 Shares which the Offeror held, and the 250,000,000 Shares which Ms. Kong held), representing in aggregate approximately 80.52% of the entire issued share capital of the Company. In addition, immediately following Completion and as at the Latest Practicable Date, the Company had 60,000,000 outstanding Options with an exercise price of HK\$0.163 each.

Pursuant to Rules 26.1 and 13.5 of the Takeovers Code, upon Completion, the Offeror is required to make the mandatory unconditional cash offers (i) to acquire all of the Shares in the issued share capital of the Company (other than those Shares already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it); and (ii) to cancel all outstanding Options. Sorrento Securities is, on behalf of the Offeror, making the Offers in compliance with the Takeovers Code on the terms set out in this Composite Document.

This letter forms part of this Composite Document and sets out, among other things, details of the terms of the Offers, the information of the Offeror and the intention of the Offeror in relation to the Group. Further details of the terms and the procedures of acceptance of the Offers are set out in Appendix I to this Composite Document, and in the accompanying Forms of Acceptance.

The Independent Shareholders and the Optionholders are strongly advised to consider carefully the information contained in the “Letter from the Board”, the “Letter from the Independent Board Committee” and the “Letter from the Independent Financial Adviser”, the accompanying Forms of Acceptance and the appendices which form part of this Composite Document and to consult their professional advisers if in doubt before reaching a decision as to whether or not to accept the Offers.

THE OFFERS

The Share Offer

Sorrento Securities, for and on behalf of the Offeror and in compliance with the Takeovers Code, is making the Share Offer on the following basis:

For each Offer Share HK\$0.032 in cash

The Share Offer Price of HK\$0.032 per Offer Share under the Share Offer is equal to (i) the price per Sale Share paid by the Offeror for the 1,729,440,000 Sale Shares under Sale and Purchase Agreement 1; and (ii) the price per Sale Share paid by Ms. Kong for the 250,000,000 Sale Shares under Sale and Purchase Agreement 2.

LETTER FROM SORRENTO SECURITIES

The Share Offer is extended to all Shareholders other than the Offeror and parties acting in concert with it in accordance with the Takeovers Code. The Offer Shares to be acquired under the Share Offer shall be fully paid and 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 despatch of this Composite Document.

The Share Offer is unconditional in all respects when made.

The Option Offer

Sorrento Securities, for and on behalf of the Offeror, is making the Option Offer to the Optionholders in accordance with Rule 13 of the Takeovers Code to cancel all outstanding Options in exchange for cash on the following basis:

In respect of Options with an exercise price of HK\$0.163 each:

For cancellation of each such Option HK\$0.0001 in cash

In compliance with Rule 13 of the Takeovers Code, the Option Offer Price for cancellation of the outstanding Options represents the “see-through” price, which is the difference between the Share Offer Price and the exercise price for each outstanding Option. As the outstanding Options have an exercise price of HK\$0.163 each, which is above the Share Offer Price, such “see-through” price is negative. Therefore, the Option Offer Price for the cancellation of each such Offer Option will be a nominal cash amount of HK\$0.0001.

The Option Offer is unconditional in all respects when made. Following acceptance of the Option Offer, the relevant Options together with all rights attaching thereto will be entirely cancelled and renounced. In accordance with the terms of the Share Option Scheme, unexercised Options will lapse automatically after the Closing Date.

The Offeror confirms that the Share Offer Price and the Option Offer Price are final and will not be increased.

Immediately following Completion and as at the Latest Practicable Date, the Company had (i) 2,643,360,000 Shares in issue, of which 2,128,420,000 Shares were held by the Offeror and parties acting in concert with it (representing approximately 80.52% of the total issued share capital of the Company); and (ii) 60,000,000 outstanding Options under the Share Option Scheme with an exercise price of HK\$0.163 each.

Save as disclosed above, as at the Latest Practicable Date, there were no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company in issue.

LETTER FROM SORRENTO SECURITIES

The Company confirms that as at the Latest Practicable Date, (i) the Company had not declared any dividend which remained unpaid; and (ii) it did not have any intention to make, declare or pay any future dividend/make other distributions on or before the close of the Offers.

Further details of the terms of the Offers and the procedures for acceptance of the Offers are set out in Appendix I to this Composite Document and the accompanying Form(s) of Acceptance.

Comparison of value of the Share Offer Price

The Share Offer Price of HK\$0.032 per Offer Share represents:

- (i) a discount of approximately 82.51% to the closing price of HK\$0.183 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 81.92% to the closing price of HK\$0.177 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 82.40% to the average closing price of approximately HK\$0.1818 per Share, being the average closing price of the Shares as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;
- (iv) a discount of approximately 78.68% to the average closing price of approximately HK\$0.1501 per Share, being the average closing price of the Shares as quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to and including the Last Trading Day;
- (v) a discount of approximately 69.92% to the average closing price of approximately HK\$0.1064 per Share, being the average closing price of the Shares as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day; and
- (vi) a premium of approximately 300% over the audited consolidated net assets per Share of approximately HK\$0.008 as at 31 March 2023, which was calculated based on the audited consolidated net asset value attributable to owners of the Company of approximately HK\$21,045,000 as at 31 March 2023 (the date on which the latest audited financial results of the Group were made up) and 2,643,360,000 Shares in issue as at the Latest Practicable Date.

LETTER FROM SORRENTO SECURITIES

Highest and lowest Share prices

During the Relevant Period, the highest closing price of the Shares quoted on the Stock Exchange was HK\$0.196 per Share on 28 September 2023 and the lowest closing price of the Shares quoted on the Stock Exchange was HK\$0.013 per Share on 7 June 2023.

Value of the Offers

As at the Latest Practicable Date, the Company had 2,643,360,000 Shares in issue and 60,000,000 outstanding Options under the Share Option Scheme with an exercise price of HK\$0.163 each. On the basis of the Share Offer Price of HK\$0.032 per Offer Share and the Option Offer Price of HK\$0.0001 for cancellation of each outstanding Option:

- (a) all issued Shares (assuming that the Options are exercised in full) and nil outstanding Options of the Company would be valued at HK\$86,507,520; and
- (b) all issued Shares (assuming that none of the Options is exercised) and all outstanding Options of the Company would be valued at HK\$84,593,520.

Upon Completion and as at the Latest Practicable Date, save for (i) the 148,980,000 Shares which Mr. Zhou held; (ii) the 1,729,440,000 Shares which the Offeror held; and (iii) the 250,000,000 Shares which Ms. Kong held:

- (a) assuming that no Option is exercised: (i) the value of the Share Offer will be approximately HK\$16,478,080 (with 514,940,000 Shares subject to the Share Offer); and (ii) the value of the Option Offer will be approximately HK\$6,000; and
- (b) assuming all Options are exercised: (i) the value of the Share Offer will be approximately HK\$18,398,080 (with 574,940,000 Shares subject to the Share Offer); and (ii) the value of the Option Offer will be nil.

Confirmation of financial resources available for the Offers

The maximum payment obligations payable for the Offers shall be payable in cash. The Offeror intends to finance the maximum payment obligations payable for the Offers by its own internal resources. The maximum aggregate amount payable by the Offeror for the Offers would be HK\$18,398,080 (being the higher amount of scenario (a) and (b) above) based on the Offer Price of HK\$0.032 per Offer Share assuming that the Options will be exercised in full and full acceptance of the Share Offer.

Sorrento Capital, being the financial adviser to the Offeror in respect of the Offers, is satisfied that sufficient financial resources are and will remain available to the Offeror to satisfy the maximum payment obligations upon full acceptance of the Offers.

LETTER FROM SORRENTO SECURITIES

Effect of accepting the Offers

Acceptance of the Share Offer by any Shareholder will be deemed to constitute a warranty by such person that all Offer Shares sold by such person under the Share Offer are 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 despatch of this Composite Document. The Company confirms that as at the Latest Practicable Date, (i) the Company had not declared any dividend which remains unpaid; and (ii) it did not have any intention to make, declare or pay any future dividend/make other distributions on or before the close of the Offers.

By accepting the Option Offer, the Optionholders will agree to the cancellation of their tendered Options and all rights attached thereto with effect from the date on which the Option Offer is made, being the date of the despatch of this Composite Document.

The Offers are unconditional in all respects when made and will not be conditional upon acceptances being received in respect of a minimum number of Offer Shares and in respect of a minimum number of Options to be cancelled. Acceptances of the Offers shall be irrevocable and not capable of being withdrawn, except as otherwise permitted under the Takeovers Code, details of which are set out in the paragraph headed “8. Right of Withdrawal” in Appendix I to this Composite Document.

Taxation advice

Independent 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 and the parties acting in concert with it, the Company, Sorrento Capital, Sorrento Securities, Ample Capital, and (as the case may be) their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offers accepts any responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offers.

Hong Kong Stamp duty

In Hong Kong, seller's ad valorem stamp duty arising in connection with acceptance of the Share Offer will be payable by the relevant Independent Shareholders at a rate of 0.13% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptance of the Share Offer, whichever is higher, and will be deducted from the cash amount payable by the Offeror to the Independent Shareholders who accept the Share Offer.

LETTER FROM SORRENTO SECURITIES

The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the Independent Shareholders accepting the Share Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptance of the Share Offer and the transfer of the relevant Offer 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.

Payment

Payment in cash in respect of acceptance of the Share Offer and the Option Offer will be made as soon as possible but in any event no later than seven (7) Business Days after the date on which the duly completed acceptance of the Share Offer and/or the Option Offer (as the case may be) are/is received. Relevant documents evidencing title in respect of such acceptance must be received by or on behalf of the Offeror (or its agent) to render each such acceptance of the Share Offer and/or the Option Offer (as the case may be) complete and valid in accordance with Rule 20.1 and Note 1 to Rule 30.2 of the Takeovers Code.

No fractions of a Hong Kong cent will be payable and the amount of the consideration payable to an Independent Shareholder who accepts the Share Offer and an Optionholder who accepts the Option Offer will be rounded up to the nearest Hong Kong cent.

Dealing and interests in the Company's Securities

Save for (i) the acquisition of an aggregate of 148,980,000 Shares by Mr. Zhou in open market during the period from 10 August 2023 to 14 August 2023 with highest price paid being HK\$0.032 per Share; (ii) the acquisition of the 1,729,440,000 Sale Shares by the Offeror under Sale and Purchase Agreement 1; and (iii) the acquisition of the 250,000,000 Sale Shares by Ms. Kong under Sale and Purchase Agreement 2, none of the Offeror, the ultimate beneficial owner of the Offeror (i.e. Mr. Zhou) nor the parties acting in concert with any of them (including Ms. Kong) has dealt for value in nor owned any Shares, options, derivatives, warrants or other securities convertible into Shares during the Relevant Period.

Availability of the Offers

The Offeror intends to make the Share Offer and the Option Offer available to all the Independent Shareholders and the Optionholders, respectively. As the Share Offer and the Option Offer to persons with a registered address in a jurisdiction outside Hong Kong may be affected by the laws of the relevant overseas jurisdictions, Independent Shareholders and Optionholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice. Persons who are residents, citizens or nationals outside Hong Kong should inform themselves about and observe, at their own responsibility, any applicable laws, regulations, requirements and restrictions in their own jurisdictions in connection with the acceptance of the Offers, including the obtaining of any governmental, exchange control or

LETTER FROM SORRENTO SECURITIES

other consents which may be required, or the compliance with the other necessary formalities and the payment of any issue, transfer or other taxes due in respect of such jurisdiction. Any acceptance by the Overseas Shareholders or Overseas Optionholders will be deemed to constitute a representation and warranty from such Overseas Shareholders or Overseas Optionholders to the Offeror that the local laws and requirements have been complied with and such acceptance shall be valid and binding in accordance with all applicable laws.

There were no Overseas Shareholders or Overseas Optionholders as at the Latest Practicable Date.

INFORMATION OF THE GROUP

The Company is an exempt company incorporated in the Cayman Islands with limited liability on 19 August 2015. The Group is principally engaged in provision of casual dining food catering services in Hong Kong. Further information on the Group is set out in the paragraph headed “Information of the Group” in the “Letter from the Board” as contained in this Composite Document. Financial Information on the Group is set out in Appendix II to this Composite Document.

INFORMATION OF THE OFFEROR

The Offeror is a company incorporated in the British Virgin Islands with limited liability on 11 July 2023 for the purpose of holding the Shares. As at the Latest Practicable Date, the Offeror was legally, beneficially and wholly owned by Mr. Zhou who was also the sole director of the Offeror.

Mr. Zhou, aged 53, is the sole legal and beneficial owner and the sole director of the Offeror. He completed his studies in architectural engineering (建築工程) at the Anhui Institute of Architecture and Industry* (安徽建築工業學院) (currently known as Anhui Jianzhu University (安徽建築大學)) in the People’s Republic of China in July 1990. Mr. Zhou has extensive experience in management, marketing and corporate planning. He had served in a number of companies, including Fujian Wanghe Food Co., Ltd.* (福建旺禾食品有限公司) as the deputy chairman of the board of directors and Beijing Jinmifang Technology Co., Ltd.* (北京今米房科技有限公司) as the chairman of the board of directors. As at the Latest Practicable Date, he was the chairman of the board of directors of Nanjing Runhuang Liquor Co., Ltd.* (南京潤皇酒業有限公司), a company principally engaged in sales of liquor, and he is mainly responsible for overseeing the company’s operation, strategic planning and formulating business models as well as development and investment plans.

The Offeror and its ultimate beneficial owner were Independent Third Parties prior to completion of Sale and Purchase Agreement 1. Immediately before Completion, Mr. Zhou held 148,980,000 Shares.

LETTER FROM SORRENTO SECURITIES

Immediately after Completion and as at the Latest Practicable Date, none of the Offeror, its ultimate beneficial owner, its director (being Mr. Zhou) and the parties acting in concert with any of them held any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company, save for (i) the 148,980,000 Shares which Mr. Zhou held; (ii) the 1,729,440,000 Sale Shares which the Offeror held; and (iii) the 250,000,000 Sale Shares which Ms. Kong held.

INFORMATION OF MS. KONG

Ms. Kong is a member of The Hong Kong Institution of Engineers and has more than 15 years of work experience in the engineering field. She works at a transport company in Hong Kong, responsible for supervising construction projects, and holds a degree of master of engineering in mechanical engineering.

Ms. Kong has over 15 years of experience in trading in listed securities in Hong Kong. Immediately before Completion, Ms. Kong did not hold any interest in Shares. She was invited by Mr. Zhou (being the ultimate beneficial owner of the Offeror, the purchaser under Sale and Purchase Agreement 1 and a friend of Ms. Kong) to invest in the Company. While Mr. Zhou intended to acquire a controlling stake in the Company, he had no intention to acquire all the Shares held by the Selling Shareholders immediately prior to entering into the Sale and Purchase Agreements and believed that Ms. Kong had sufficient financial resources to acquire some of the Shares. Having considered the discount of the consideration per Sale Share to the then market price of the Shares and the potential capital appreciation of the Shares, Ms. Kong entered into Sale and Purchase Agreement 2 for the acquisition of 250,000,000 Sale Shares as a passive investor. Immediately after Completion and as at the Latest Practicable Date, Ms. Kong held 250,000,000 Shares.

Save as disclosed above, as at the Latest Practicable Date, Ms. Kong did not have any relationship with the Offeror and/or its ultimate beneficial owner and is an Independent Third Party. Ms. Kong does not have intention to be a director of the Company.

THE OFFEROR'S INTENTION ON THE GROUP

Following the close of the Offers, it is the intention of the Offeror that the Group will continue with its existing principal business. The Offeror does not intend to introduce any major changes to the existing operations and business of the Group immediately after close of the Offers and will neither redeploy nor dispose of any of the assets (including fixed assets) of the Group other than in the ordinary course of business. As at the Latest Practicable Date, the Offeror did not have any intention, understanding, negotiation, arrangement, and agreements (formal or informal, express or implied) to downsize or dispose of any existing business or assets of the Group.

Nevertheless, following the close of the Offers, the Offeror will conduct a detailed review on the existing principal operations and business, and the financial position of the Group for the purpose of formulating business plans and strategies for the Group's long-term

LETTER FROM SORRENTO SECURITIES

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. Any acquisition or disposal of the assets or business of the Group, if any, will be in compliance with the GEM Listing Rules and the Takeovers Code.

As at the Latest Practicable Date, no investment or business opportunity had been identified nor had the Offeror entered into any agreement, arrangement, understanding or negotiation in relation to (a) the injection of any assets or business into the Group; or (b) the disposal of any assets or business of the Group.

Save for the proposed change(s) to the composition of the Board as mentioned below, as at the Latest Practicable Date, the Offeror had no plan to terminate the employment of any other employees or other personnel of the Group. However, the Offeror reserves the right to make any changes that they deem necessary or appropriate to the benefit of the Group.

PROPOSED CHANGE TO THE BOARD COMPOSITION OF THE COMPANY

As at the Latest Practicable Date, the Board comprised Mr. Wong Man Wai, Mr. Chan Chak To Raymond and Ms. Lam Wai Kwan as executive Directors; and Mr. Ma Yiu Ho Peter, Mr. Cai Chun Fai and Mr. Ng Sai Cheong as independent non-executive Directors.

In compliance with Rule 7 of the Takeovers Code, it is intended that all of the existing Directors (save for Mr. Wong Man Wai), will resign from the Board taking effect no earlier than the publication of the closing announcement on the first closing date of the Offers or at the earliest time permitted under the Takeovers Code.

The Offeror intends to nominate new Directors to the Board to facilitate the business operation, management and strategy of the Group with effect from the date immediately after the date on which this Composite Document is posted or such other date as permitted under the Takeovers Code, or such later date as the Offeror considers to be appropriate. It is currently intended that Mr. Zhou (the ultimate beneficial owner of the Offeror) will be appointed as a new executive director of the Company. Save for the above, as at the Latest Practicable Date, the Offeror had not reached any final decision as to who will be nominated as new director(s) of the Company. Further announcement(s) (including the biographies of the new Directors) will be made immediately after their appointments.

Any changes to the members of the Board will be made in compliance with the Takeovers Code and the GEM Listing Rules.

LETTER FROM SORRENTO SECURITIES

PUBLIC FLOAT AND MAINTENANCE OF THE LISTING STATUS OF THE COMPANY

The Offeror intends to maintain the listing of the Shares on the Stock Exchange. Each of the Company, the Directors, the Offeror, the sole director of the Offeror and the new Directors to be appointed will undertake to the Stock Exchange to take appropriate steps to ensure that not less than 25% of the issued share capital of the Company will continue to be held by the public at all material times.

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 issued 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 Company will make an application to the Stock Exchange for a temporary waiver from strict compliance with Rule 11.23(7) of the GEM Listing Rules in case less than 25% of the issued share capital of the Company will be held by the public upon the close of the Offers. Appropriate steps will be taken to ensure public float will be restored as soon as possible after the close of the Offers. The steps that the Offeror may take include but not limited to (i) placing down or selling sufficient number of accepted Shares it acquired from the Share Offer to selected independent third parties or in the market; and/or (ii) issue of additional Shares by the Company for this purpose.

Further announcement(s) regarding the restoration of public float will be made by the Company as and when appropriate.

ACCEPTANCE AND SETTLEMENT

Your attention is drawn to the further details regarding further terms and conditions of the Offers, the procedures for acceptance and settlement and the acceptance period as set out in Appendix I to this Composite Document and the accompanying Forms of Acceptance.

COMPULSORY ACQUISITION

The Offeror does not intend to avail itself of any powers of compulsory acquisition of any Shares and Options outstanding after the close of the Offers.

LETTER FROM SORRENTO SECURITIES

GENERAL

This Composite Document has been prepared for the purposes of complying with the laws of Hong Kong, the Takeovers Code and the GEM Listing Rules and the information disclosed may not be the same as which would have been disclosed if this Composite Document had been prepared in accordance with the laws of jurisdictions outside Hong Kong.

To ensure equality of treatment of all Independent Shareholders and Optionholders, those Independent Shareholders and/or Optionholders who hold Shares and/or Options as nominee on behalf of more than one beneficial owner should, as far as practicable, treat the holding of such beneficial owner separately. It is essential for the beneficial owners of the Shares and/or Options whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Offers.

Attention of the Overseas Shareholders and Overseas Optionholders is drawn to the paragraph headed “9. Overseas Shareholders and Overseas Optionholders” in Appendix I to this Composite Document. All communications, notices, Forms of Acceptance, share certificate(s), transfer receipt(s), other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to settle the consideration payable under the Offers to be delivered by or sent to or from the Independent Shareholders and/or Optionholders will be delivered by or sent to or from them, or their designated agents, by ordinary post at their own risk. None of the Offeror and the parties acting in concert with it, the Company, Sorrento Capital, Sorrento Securities, Ample Capital, the Registrar or their respective ultimate beneficial owners, directors, officers, agents and associates or any other person involved in the Offers will be responsible for any loss or delay in postage or any other liabilities that may arise as a result thereof or in connection therewith. Further details have been set out in Appendix I to this Composite Document and in the accompanying Forms of Acceptance.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Composite Document and the accompanying Forms of Acceptance, which form part of this Composite Document. You are reminded to carefully read the “Letter from the Board”, the “Letter from the Independent Board Committee”, the “Letter from the Independent Financial Adviser” and other information about the Group, which are set out in this Composite Document and the accompanying Forms of Acceptance before deciding whether or not to accept the Offers.

LETTER FROM SORRENTO SECURITIES

In considering what action to take in connection with the Offers, you should consider your own tax or financial position and if you are in any doubt, you should consult your professional advisers.

Yours faithfully
For and On behalf of
Sorrento Securities Limited
Cheung Wing Yiu
Assistant Vice President

LETTER FROM THE BOARD

ROYAL GROUP HOLDINGS INTERNATIONAL COMPANY LIMITED

皇璽集團控股國際有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8300)

Executive Directors:

Mr. Wong Man Wai

(chairman and chief executive officer)

Mr. Chan Chak To Raymond

Ms. Lam Wai Kwan

Registered office:

Third Floor, Century Yard

Cricket Square

P.O. Box 902

Grand Cayman, KY1-1103

Cayman Islands

Independent non-executive Directors:

Mr. Ma Yiu Ho Peter

Mr. Cai Chun Fai

Mr. Ng Sai Cheong

*Head office and principal place of
business in Hong Kong:*

Unit 603, 6/F, Block A

Hong Kong Industrial Centre

489-491 Castle Peak Road

Kowloon, Hong Kong

30 October 2023

To the Independent Shareholders and the Optionholders

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFERS BY
SORRENTO SECURITIES LIMITED FOR AND ON BEHALF OF
SKY SHIELD INVESTMENT LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF
ROYAL GROUP HOLDINGS INTERNATIONAL COMPANY LIMITED
AND TO CANCEL ALL OUTSTANDING OPTIONS OF
ROYAL GROUP HOLDINGS INTERNATIONAL COMPANY LIMITED
(OTHER THAN THOSE SHARES ALREADY
OWNED AND/OR AGREED TO BE ACQUIRED
BY SKY SHIELD INVESTMENT LIMITED AND
PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

References are made to the Joint Announcement in relation to, among other things, the Sale and Purchase Agreements and the Offers.

LETTER FROM THE BOARD

As disclosed in the Joint Announcement, on 29 September 2023 (after trading hours):

- (i) the Offeror (as purchaser) and the Selling Shareholders (as vendors) entered into Sale and Purchase Agreement 1, pursuant to which the Selling Shareholders agreed to sell, and the Offeror agreed to acquire, the full legal and beneficial title and interest in the Sale Shares (being an aggregate of 1,729,440,000 Shares), representing approximately 65.42% of the total issued share capital of the Company as at the Latest Practicable Date, at a total consideration of HK\$55,342,080, which is equivalent to HK\$0.032 per Sale Share; and
- (ii) Ms. Kong (as purchaser) and Fortune Round (as vendor) entered into Sale and Purchase Agreement 2, pursuant to which Fortune Round agreed to sell, and Ms. Kong agreed to acquire, the full legal and beneficial title and interest in the Sale Shares (being an aggregate of 250,000,000 Shares), representing approximately 9.46% of the total issued share capital of the Company as at the Latest Practicable Date, at a total consideration of HK\$8,000,000, which is equivalent to HK\$0.032 per Sale Share.

Completion of the Sale and Purchase Agreements took place on 3 October 2023. Immediately following Completion and as at the Latest Practicable Date, the Offeror, the ultimate beneficial owner of the Offeror (i.e. Mr. Zhou) and the parties acting in concert with any of them (including Ms. Kong) held a total of 2,128,420,000 Shares (comprising the 148,980,000 Shares which Mr. Zhou held, the 1,729,440,000 Shares which the Offeror held, and the 250,000,000 Shares which Ms. Kong held), representing in aggregate approximately 80.52% of the entire issued share capital of the Company.

Immediately prior to Completion, none of the Offeror, the ultimate beneficial owner of the Offeror (i.e. Mr. Zhou) and the parties acting in concert with any of them (including Ms. Kong) held any Shares, save for the 148,980,000 Shares held by Mr. Zhou, representing approximately 5.64% of the total issued share capital of the Company.

As at the Latest Practicable Date, the Company had 2,643,360,000 Shares in issue and 60,000,000 outstanding Options with an exercise price of HK\$0.163 each. Save as disclosed above, as at the Latest Practicable Date, the Company did not have any outstanding options, derivatives, warrants or other securities convertible or exchangeable into Shares or which confer rights to require the issue of Shares and had not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares or which confer rights to require the issue of Shares. Save as disclosed above, as at the Latest Practicable Date, the Company had no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in issue.

LETTER FROM THE BOARD

The purpose of this Composite Document (of which this letter forms part) is to provide you with, among other things, (i) information relating to the Group and the Offeror; (ii) further details of the Offers; (iii) a letter from the Independent Board Committee containing the Independent Board Committee's recommendation to the Independent Shareholders and the Optionholders in respect of the terms of the Offers and as to acceptance; (iv) the letter from the Independent Financial Adviser containing its advice to the Independent Board Committee, the Independent Shareholders and the Optionholders in relation to the Offers; and (v) procedures for acceptance of the Offers.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising all of the three independent non-executive Directors, namely Mr. Ma Yiu Ho Peter, Mr. Cai Chun Fai and Mr. Ng Sai Cheong, has been established pursuant to Rule 2.1 of the Takeovers Code to advise the Independent Shareholders as to whether the Share Offer is, or is not, fair and reasonable and give a recommendation as to acceptance of the Share Offer, and to advise the Optionholders as to whether the Option Offer is, or is not, fair and reasonable and give a recommendation as to acceptance of the Option Offer.

As announced in the Joint Announcement, Ample Capital has been appointed as the independent financial adviser to advise the Independent Board Committee, the Independent Shareholders and the Optionholders in connection with the Offers and in particular as to whether the Offers are, or are not, fair and reasonable and as to their acceptance.

The full text of the letter from the Independent Board Committee and the letter from the Independent Financial Adviser are set out in this Composite Document. **You are urged to read these letters and the additional information contained in the appendices to this Composite Document carefully before taking any action in respect of the Offers.**

PRINCIPAL TERMS OF THE OFFERS

The Share Offer

Sorrento Securities, for and on behalf of the Offeror and in compliance with the Takeovers Code, is making the Share Offer on the following basis:

For each Offer Share HK\$0.032 in cash

The Share Offer Price of HK\$0.032 per Offer Share under the Share Offer is equal to (i) the price per Sale Share paid by the Offeror for the 1,729,440,000 Sale Shares under Sale and Purchase Agreement 1; and (ii) the price per Sale Share paid by Ms. Kong for the 250,000,000 Sale Shares under Sale and Purchase Agreement 2.

LETTER FROM THE BOARD

The Share Offer is extended to all Shareholders other than the Offeror and parties acting in concert with it in accordance with the Takeovers Code. The Offer Shares to be acquired under the Share Offer will be fully paid and 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 despatch of this Composite Document. The Company confirms that as at the Latest Practicable Date, (i) the Company had not declared any dividend which remains unpaid; and (ii) it did not have any intention to make, declare or pay any future dividend/make other distributions on or before the close of the Offers.

The Share Offer is unconditional in all respects when made.

The Option Offer

Sorrento Securities, for and on behalf of the Offeror, is making the Option Offer to the Optionholders in accordance with Rule 13 of the Takeovers Code to cancel all outstanding Options in exchange for cash on the following basis:

In respect of Options with an exercise price of HK\$0.163 each:

For cancellation of each such Option HK\$0.0001 in cash

The Option Offer is unconditional in all respects when made. Following acceptance of the Option Offer, the relevant Options together with all rights attaching thereto will be entirely cancelled and renounced. In accordance with the terms of the Share Option Scheme, unexercised Options will lapse automatically after the Closing Date.

Further details of the Offers including, among other things, its extension to the Overseas Shareholders and Overseas Optionholders, information on taxation, the terms and conditions and the procedures for acceptance and settlement and acceptance period are set out in the sections headed “Letter from Sorrento Securities” in this Composite Document, Appendix I to this Composite Document and the accompanying Forms of Acceptance.

INFORMATION OF THE GROUP

The Company is an exempted company incorporated in the Cayman Islands with limited liability on 19 August 2015 whose Shares have been listed on GEM of the Stock Exchange since 8 August 2016. The Company is an investment holding company and the Group is principally engaged in provision of casual dining food catering services in Hong Kong.

Your attention is drawn to Appendix II and Appendix III to this Composite Document which contain financial and general information of the Group, respectively, as required under the Takeovers Code.

LETTER FROM THE BOARD

SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) immediately before Completion; and (ii) immediately following Completion and as at the Latest Practicable Date:

Shareholders	Immediately before Completion		Immediately following Completion and as at the Latest Practicable Date	
	Number of Shares	Approximate % of issued Shares	Number of Shares	Approximate % of issued Shares
The Offeror and parties acting in concert with it				
— The Offeror (<i>Note 1</i>)	—	—	1,729,440,000	65.42
— Mr. Zhou Feng	148,980,000	5.64	148,980,000	5.64
— Ms. Kong Yuen Man (<i>Note 2</i>)	—	—	250,000,000	9.46
Sub-total	148,980,000	5.64	2,128,420,000	80.52
Selling Shareholders				
— Fortune Round Limited (<i>Note 3</i>)	1,500,000,000	56.75	—	—
— Mr. Wong Man Wai (<i>Note 4</i>)	162,120,000	6.13	—	—
— Keenfull Investments Limited (<i>Note 5</i>)	317,320,000	12.00	—	—
Other public Shareholders	514,940,000	19.48	514,940,000	19.48
Total (<i>Note 6</i>)	<u>2,643,360,000</u>	<u>100.00</u>	<u>2,643,360,000</u>	<u>100.00</u>

Notes:

- The Offeror is legally, beneficially and wholly owned by Mr. Zhou.
- Ms. Kong is an Independent Third Party. As (i) Ms. Kong is not a director, chief executive or substantial shareholder of the Company or any of its subsidiaries or a close associate of any of them; (ii) the acquisition of the Shares by Ms. Kong has not been financed directly or indirectly by a person referred to in (i) above; and (iii) Ms. Kong is not accustomed to taking instructions from a person referred to in (i) above in relation to the acquisition, disposal, voting or other disposition of the Shares registered in her name or otherwise held by her, the 250,000,000 Shares held by Ms. Kong are regarded as Shares held by public Shareholders. Ms. Kong is a party acting in concert with the Offeror.
- Fortune Round, a company incorporated in the British Virgin Islands, is legally, beneficially and wholly owned by Mr. Wong Man Wai.

LETTER FROM THE BOARD

4. Mr. Wong Man Wai is an executive Director, the chairman of the Board, the chief executive officer of the Company.
5. Keenfull Investments, a company incorporated in the British Virgin Islands, is legally, beneficially and wholly owned by Mr. Li Chi Keung. Mr. Li Chi Keung is the father of Ms. Li Wing Yin (spouse of Mr. Wong Man Wai) and the father-in-law of Mr. Wong Man Wai.
6. Save for Mr. Wong Man Wai who owned the Shares immediately before Completion as disclosed in Note 4 above, none of the Directors owned any Shares immediately before and following Completion and as at the Latest Practicable Date.
7. As at the Latest Practicable Date, the Company had 60,000,000 outstanding Options with an exercise price of HK\$0.163 each, of which, (i) 20,000,000 outstanding Options were owned by Mr. Chan Chak To Raymond, being an executive Director; (ii) 20,000,000 outstanding Options were owned by Ms. Lam Wai Kwan, being an executive Director; and (iii) 20,000,000 outstanding Options were owned by an employee of the Company.
8. Certain percentage figures included in this table have been subject to rounding adjustments. Figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

INFORMATION ON THE OFFEROR

Your attention is drawn to the paragraph headed “Information of the Offeror” in “Letter from Sorrento Securities” in this Composite Document and Appendix IV to this Composite Document.

THE OFFEROR’S INTENTION ON THE GROUP

Your attention is drawn to the paragraph headed “The Offeror’s Intention on the Group” in “Letter from Sorrento Securities” in this Composite Document.

The Board is aware of the Offeror’s intention in relation to the Group and is willing to render reasonable co-operation with the Offeror and continue to act in the best interests of the Company and the Shareholders as a whole.

PROPOSED CHANGE TO THE BOARD COMPOSITION OF THE COMPANY

As at the Latest Practicable Date, the Board comprised Mr. Wong Man Wai, Mr. Chan Chak To Raymond and Ms. Lam Wai Kwan as executive Directors; and Mr. Ma Yiu Ho Peter, Mr. Cai Chun Fai and Mr. Ng Sai Cheong as independent non-executive Directors.

In compliance with Rule 7 of the Takeovers Code, it is intended that all of the existing Directors (save for Mr. Wong Man Wai), will resign from the Board taking effect no earlier than the publication of the closing announcement on the first closing date of the Offers or at the earliest time permitted under the Takeovers Code.

The Offeror intends to nominate new Directors to the Board to facilitate the business operation, management and strategy of the Group with effect from the date immediately after the date on which this Composite Document is posted or such other date as permitted under

LETTER FROM THE BOARD

the Takeovers Code, or such later date as the Offeror considers to be appropriate. It is currently intended that Mr. Zhou (the ultimate beneficial owner of the Offeror) will be appointed as a new executive director of the Company. Save for the above, as at the Latest Practicable Date, the Offeror had not reached any final decision as to who will be nominated as new director(s) of the Company. Further announcement(s) (including the biographies of the new Directors) will be made immediately after their appointments.

Any changes to the members of the Board will be made in compliance with the Takeovers Code and the GEM Listing Rules.

PUBLIC FLOAT AND MAINTENANCE OF THE LISTING STATUS OF THE COMPANY

The Offeror intends to maintain the listing of the Shares on the Stock Exchange. Each of the Company, the Directors, the Offeror, the sole director of the Offeror and the new Directors to be appointed will undertake to the Stock Exchange to take appropriate steps to ensure that not less than 25% of the issued share capital of the Company will continue to be held by the public at all material times.

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 issued 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.

Therefore, it should be noted that upon close of the Offers, there may be insufficient public float of the Shares and the trading in the Shares may be suspended until sufficient public float exists for the Shares.

The Company will make an application to the Stock Exchange for a temporary waiver from strict compliance with Rule 11.23(7) of the GEM Listing Rules in case less than 25% of the issued share capital of the Company will be held by the public upon the close of the Offers. Appropriate steps will be taken to ensure public float will be restored as soon as possible after the close of the Offers. The steps that the Offeror may take include but not limited to (i) placing down or selling sufficient number of accepted Shares it acquired from the Share Offer to selected independent third parties or in the market; and/or (ii) issue of additional Shares by the Company for this purpose.

Further announcement(s) regarding the restoration of public float will be made by the Company as and when appropriate.

LETTER FROM THE BOARD

RECOMMENDATION

Your attention is drawn to the sections headed “Letter from the Independent Board Committee” and “Letter from the Independent Financial Adviser” in this Composite Document, which contain, among other things, their advice in relation to the Offers and the principal factors considered by them in arriving at their recommendation. **You are urged to read these letters and the additional information contained in the appendices to this Composite Document carefully before taking any action in respect of the Offers.**

ADDITIONAL INFORMATION

Your attention is drawn to the additional information contained in the appendices to this Composite Document. You are also recommended to read carefully Appendix I titled “Further Terms and Procedures of Acceptance of the Offers” to this Composite Document and the accompanying Forms of Acceptance for further details in respect of the procedures for acceptance of the Offers.

In considering what action to take in connection with the Offers, you should consider your own tax positions, if any, and, in case of any doubt, consult your professional advisers.

Yours faithfully

By order of the Board of

Royal Group Holdings International Company Limited
Wong Man Wai

Chairman, Chief Executive Officer and Executive Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

ROYAL GROUP HOLDINGS INTERNATIONAL COMPANY LIMITED

皇璽集團控股國際有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8300)

30 October 2023

To the Independent Shareholders and the Optionholders

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFERS BY
SORRENTO SECURITIES LIMITED FOR AND ON BEHALF OF
SKY SHIELD INVESTMENT LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF
ROYAL GROUP HOLDINGS INTERNATIONAL COMPANY LIMITED
AND TO CANCEL ALL OUTSTANDING OPTIONS OF
ROYAL GROUP HOLDINGS INTERNATIONAL COMPANY LIMITED
(OTHER THAN THOSE SHARES ALREADY
OWNED AND/OR AGREED TO BE ACQUIRED
BY SKY SHIELD INVESTMENT LIMITED AND
PARTIES ACTING IN CONCERT WITH IT)**

We refer to this Composite Document dated 30 October 2023 jointly issued by the Offeror and the Company of which this letter forms part. Unless specified otherwise, capitalised terms used herein shall have the same meanings as those defined in this Composite Document.

We have been appointed by the Board to constitute the Independent Board Committee to consider the terms of the Share Offer and the Option Offer and to make a recommendation to the Independent Shareholders and the Optionholders as to whether, in our opinion, the Share Offer and the Option Offer are, or are not, fair and reasonable and to make recommendation as to acceptance thereof. We have declared that we are independent and have no direct or indirect interests in the Share Offer and the Option Offer, and therefore are able to consider the terms of the Share Offer and the Option Offer and to make recommendations to the Independent Shareholders and the Optionholders.

Ample Capital Limited has been appointed as the Independent Financial Adviser to advise us in respect of whether the Share Offer and the Option Offer are, or are not, fair and reasonable and to make recommendations in respect of the acceptance of the Share Offer and the Option Offer. Details of its advice and recommendations, together with the principal factors and reasons which it has considered before arriving at such recommendations, are set out in the section headed “Letter from the Independent Financial Adviser” in this Composite

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Document. We also wish to draw your attention to the sections headed “Letter from Sorrento Securities” and the “Letter from the Board” in this Composite Document as well as the additional information set out in the appendices to this Composite Document.

RECOMMENDATION

Having considered the terms of the Share Offer and the Option Offer, taking into account the information contained in this Composite Document and the advice from the Independent Financial Adviser, in particular the factors, reasons and recommendations as set out in the section headed “Letter from the Independent Financial Adviser”, we concur with the view of the Independent Financial Adviser and consider that (i) the terms of the Share Offer are not fair and reasonable as far as the Independent Shareholders are concerned; and (ii) the terms of the Option Offer are fair and reasonable as far as the Optionholders are concerned. Accordingly, we recommend (i) the Independent Shareholders not to accept the Share Offer; and (ii) the Optionholders to accept the Option Offer.

However, the Independent Shareholders and the Optionholders who wish to realise their investments in the Company are reminded to monitor the trading price and liquidity of the Shares during the Offer Period and should, having regard to their own circumstances, consider selling their Shares in the open market or exercising the Options instead of accepting the Share Offer or the Option Offer, respectively, if the net proceeds obtained from such disposal of the Shares (after deducting all transaction costs) would be higher than the net proceeds from accepting the Share Offer and the Option Offer.

Notwithstanding our recommendation, the Independent Shareholders and the Optionholders are strongly advised that the decision to realise or to hold their investments is subject to individual circumstances and investment objectives. If in doubt, the Independent Shareholders and the Optionholders should consult their own professional advisers for advice. Furthermore, the Independent Shareholders and the Optionholders who wish to accept the Share Offer and the Option Offer, respectively, are recommended to read carefully the procedures for accepting the Share Offer and the Option Offer as detailed in Appendix I to this Composite Document and the accompanying Forms of Acceptance.

Yours faithfully,

**Independent Board Committee of
Royal Group Holdings International Company Limited**

Ma Yiu Ho Peter
Independent
non-executive Director

Cai Chun Fai
Independent
non-executive Director

Ng Sai Cheong
Independent
non-executive Director

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter of advice from the Independent Financial Adviser, Ample Capital Limited, to the Independent Board Committee in respect of the Offers for the purpose of inclusion in this Composite Document.

AmCap

Ample Capital Limited

豐盛融資有限公司

Ample Capital Limited
Unit A, 14th Floor
Two Chinachem Plaza
135 Des Voeux Road Central
Hong Kong

30 October 2023

*To the Independent Board Committee,
the Independent Shareholders and the Optionholders*

Dear Sir or Madam

**MANDATORY UNCONDITIONAL CASH OFFERS BY
SORRENTO SECURITIES LIMITED FOR AND ON BEHALF OF
SKY SHIELD INVESTMENT LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF
ROYAL GROUP HOLDINGS INTERNATIONAL COMPANY LIMITED
AND TO CANCEL ALL OUTSTANDING OPTIONS OF
ROYAL GROUP HOLDINGS INTERNATIONAL COMPANY LIMITED
(OTHER THAN THOSE SHARES ALREADY
OWNED AND/OR AGREED TO BE ACQUIRED
BY SKY SHIELD INVESTMENT LIMITED AND
PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee, the Independent Shareholders and the Optionholders in respect of the Offers, details of which are set out in the “Letter from Sorrento Securities” and the “Letter from the Board” contained in this Composite Document dated 30 October 2023, of which this letter of advice forms part. Capitalised terms used in this letter of advice shall have the same meanings as defined in this Composite Document unless the context requires otherwise.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

On 29 September 2023 (after trading hours): (i) the Offeror (as purchaser) and the Selling Shareholders (as vendors) entered into Sale and Purchase Agreement 1, pursuant to which the Selling Shareholders agreed to sell, and the Offeror agreed to acquire, the full legal and beneficial title and interest in the Sale Shares (being an aggregate of 1,729,440,000 Shares), representing approximately 65.42% of the total issued share capital of the Company as at the Latest Practicable Date, at a total consideration of HK\$55,342,080, which is equivalent to HK\$0.032 per Sale Share; and (ii) Ms. Kong (as purchaser) and Fortune Round (as vendor) entered into Sale and Purchase Agreement 2, pursuant to which Fortune Round agreed to sell, and Ms. Kong agreed to acquire, the full legal and beneficial title and interest in the Sale Shares (being an aggregate of 250,000,000 Shares), representing approximately 9.46% of the total issued share capital of the Company as at the Latest Practicable Date, at a total consideration of HK\$8,000,000, which is equivalent to HK\$0.032 per Sale Share. Completion of the Sale and Purchase Agreements took place on 3 October 2023.

Immediately following Completion and as at the Latest Practicable Date, the Offeror, the ultimate beneficial owner of the Offeror (i.e. Mr. Zhou) and the parties acting in concert with any of them (including Ms. Kong) held a total of 2,128,420,000 Shares (comprising the 148,980,000 Shares which Mr. Zhou held, the 1,729,440,000 Shares which the Offeror held, and the 250,000,000 Shares which Ms. Kong held), representing in aggregate approximately 80.52% of the entire issued share capital of the Company. In addition, immediately following Completion and as at the Latest Practicable Date, the Company had 60,000,000 outstanding Options with an exercise price of HK\$0.163 each.

Pursuant to Rules 26.1 and 13.5 of the Takeovers Code, upon Completion, the Offeror is required to make the mandatory unconditional cash offers (i) to acquire all of the Shares in the issued share capital of the Company (other than those Shares already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it); and (ii) to cancel all outstanding Options. Sorrento Securities is, on behalf of the Offeror, making the Offers in compliance with the Takeovers Code on the terms set out in this Composite Document.

An Independent Board Committee, comprising Mr. Ma Yiu Ho Peter, Mr. Cai Chun Fai and Mr. Ng Sai Cheong, being all the independent non-executive Directors, who have no direct or indirect interest in the Offers, has been established in accordance with Rule 2.1 and Rule 2.8 of the Takeovers Code to advise and give a recommendation to the Independent Shareholders and the Optionholders as to (i) whether the Offers are, or are not, fair and reasonable; and (ii) the acceptance of the Offers.

We, Ample Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee, the Independent Shareholders and the Optionholders in this respect, and our opinion herein is solely for the assistance of the Independent Board Committee in connection with its consideration of the Offers pursuant to Rule 2.1 of the Takeovers Code. The appointment of Ample Capital Limited as the Independent Financial Adviser has been approved by the Independent Board Committee.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

OUR INDEPENDENCE

As at the Latest Practicable Date, we are not associated or connected with the Company, the Offeror and its controlling shareholders, Ms. Kong, or any party acting, or presumed to be acting, in concert with any of them. During the past two years immediately preceding and up to the date of our appointment as the Independent Financial Adviser, save for this appointment as the Independent Financial Adviser in respect of the Offers, there were no other engagements between us and the Group or the Offeror or any party acting, or presumed to be acting, in concert with any of them. Apart from normal professional fees payable to us in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Group or the Offeror, their respective controlling shareholders or any party acting, or presumed to be acting, in concert with any of them. As such, we are qualified to give independent advice to the Independent Board Committee in respect of the Offers pursuant to Rule 2.6 of the Takeovers Code.

BASIS OF ADVICE

In formulating our opinion and recommendation, we have considered and relied on, among other things, (i) the statements, information, opinions and facts contained in or referred to in this Composite Document; (ii) the annual reports of the Company for the financial years ended 31 March 2021 (the “**2021 AR**”), 31 March 2022 (the “**2022 AR**”) and 31 March 2023 (the “**2023 AR**”) and the quarterly report for the three months ended 30 June 2023 (the “**2023/24 Q1R**”); (iii) the information and representations provided by the Directors and the management of the Company (the “**Management**”); and (iv) our review of the relevant announcements published by the Company and the relevant public information. We have assumed that all information and representations that have been provided by the Directors and the Management are true, complete and accurate in all material respects at the time when they were made and up to date throughout the Offer Period and should there be any material changes thereto, or any change to our opinion, the Independent Shareholders and the Optionholders would be notified as soon as possible in accordance with Rule 9.1 of the Takeovers Code. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in this Composite Document were reasonably made after enquiries and careful consideration.

We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in this Composite Document and that all information or representations provided to us by the Directors and the management of the Group are true, accurate, complete and not misleading in all material respects at the time they were made and continued to be so until the Latest Practicable Date and there are no other facts or representations the omission of which would make any statement in this Composite Document, including this letter, misleading.

We consider that we have been provided with sufficient information on which to form a reasonable basis for our opinion. We have no reason to suspect that any relevant information has been withheld, nor are we aware of any fact or circumstance which would render the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

information provided and representations made to us untrue, inaccurate or misleading. We consider that we have performed all the necessary steps to enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our opinion. The Independent Shareholders and the Optionholders will be notified of any material changes to such information provided in this Composite Document or to our opinion as soon as possible.

We have not considered the tax and regulatory implications on the Independent Shareholders and the Optionholders of acceptance or non-acceptance of the Offers since these depend on their individual circumstances. In particular, the Independent Shareholders and the Optionholders who are residents overseas or subject to overseas taxes or Hong Kong taxation on securities dealings should consider their own tax positions and, if in any doubt, should consult their own professional advisers.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation to the Independent Board Committee in relation to the Offers, we have considered the following principal factors and reasons:

A. BACKGROUND INFORMATION

1. Information on the Group

The Company is an exempt company incorporated in the Cayman Islands with limited liability on 19 August 2015. The Group is principally engaged in provision of casual dining food catering services in Hong Kong.

a) Historical financial information of the Group

Set out below is a summary of the financial information of the Group for (i) each of the three financial years ended 31 March 2021 (“FY2021”), 2022 (“FY2022”) and 2023 (“FY2023”) as extracted from the 2021 AR, the 2022 AR and the 2023 AR; and (ii) the three months ended 30 June 2022 (“2022/23Q1”) and 2023 (“2023/24Q1”) as extracted from the 2023/24 Q1R:

	FY2021	FY2022	FY2023	2022/23Q1	2023/24Q1
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
	(Audited)	(Audited)	(Audited)	(Unaudited)	(Unaudited)
Revenue	42,707	36,206	29,744	7,295	6,833
Loss and total comprehensive loss for the year/period attributable to owners of the Company	(4,098)	(10,178)	(22,002)	(2,679)	(4,731)

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER
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	As at 31 March		
	2021	2022	2023
	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>
	(Audited)	(Audited)	(Audited)
Non-current assets	38,231	7,641	13,951
Current assets	51,691	66,713	39,636
Total assets	89,922	74,354	53,587
Non-current liabilities	913	1,735	5,146
Current liabilities	35,784	29,572	27,404
Total liabilities	36,697	31,307	32,550
Net current assets	15,907	37,141	12,232
Equity attributable to owners of the Company	53,225	43,047	21,045

FY2021, FY2022 and FY2023

The Group's revenue decreased from approximately HK\$42.7 million for FY2021 to approximately HK\$36.2 million for FY2022, representing a decrease of approximately HK\$6.5 million or 15.2%, and further decreased to HK\$29.7 million for FY2023, representing a decrease of approximately HK\$6.5 million or 17.8%. According to the 2022 AR and the 2023 AR, such decrease was mainly due to the outbreak of COVID-19 (the "**Pandemic**") and the subsequent anti-pandemic measures by the Hong Kong government. The Pandemic severely diminished the demand for dining and catering as consumers generally preferred to stay home, avoided dining out and maintained social distancing. In response to the fifth wave of the Pandemic since January 2022, the Hong Kong government introduced anti-pandemic measures such as limiting dine-in service hours of all restaurants in Hong Kong and diners were capped at two per table at all restaurants during the limited operating hours (the "**Restrictions**"). As a result of the above, the demand for in-dining has been severely reduced, and the number of customers visiting the Group's restaurants has significantly decreased. As at 31 March 2022, the stringent Restrictions remained in place. With the easing of the Pandemic and the implementation of the relaxation of travel restrictions and stringent anti-pandemic measures (the "**Relaxation Policy**") during the first quarter of 2023, the number of visitors going to Hong Kong increased and hence the catering business was expected to be improved. However, the economic situation in Hong Kong, in particular the catering industry, remained uncertain. The number of restaurants in operations was five, three and four as at 31 March 2021, 2022 and 2023, respectively.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Group's net loss attributable to owners of the Company increased from approximately HK\$4.1 million for FY2021 to approximately HK\$10.2 million for FY2022, representing an increase of approximately HK\$6.1 million or 148.4%, and further increased to HK\$22.0 million for FY2023, representing an increase of approximately HK\$11.8 million or 116.2%. The worsening of result was mainly due to (i) the aforementioned decline in revenue; and (ii) the decrease in other income. The Group's other income and other gain or loss decreased from approximately HK\$13.2 million for FY2021 to approximately HK\$7.8 million for FY2022, representing a decrease of approximately HK\$5.4 million or 41.0%, and further decreased to HK\$2.3 million, representing a decrease of approximately HK\$5.5 million or 71.0%. The decrease in other income and other gain or loss was mainly attributable to the decrease in government grant and COVID-19-related rental concession.

The Group's financial position weakened, with a decrease in equity attributable to owners of the Company from approximately HK\$53.2 million to HK\$43.0 million to HK\$21.0 million as at 31 March 2021, 2022 and 2023, respectively, and an increase in total liabilities from approximately HK\$31.3 million for FY2022 to approximately HK\$32.6 million for FY2023. These would be explained by the net losses for the consecutive years and the higher uncertainty for the catering industry as a result of the Pandemic. Meanwhile, the Group recorded cash and cash equivalents of approximately HK\$26.7 million and net current assets of approximately HK\$12.2 million as at 31 March 2023. We are of the view that there is no adverse indication in relation to liquidity for the continuous operation and business development of the Group.

2022/23Q1 and 2023/24Q1

The Group's revenue decreased from approximately HK\$7.3 million for 2022/23Q1 to approximately HK\$6.8 million for 2023/24Q1, representing a decrease of approximately HK\$0.5 million or 6.3%. According to the 2023/24 Q1R, although there was the Relaxation Policy in early 2023, the number of visitors going to Hong Kong and catering business had not improved significantly. The economic situation in Hong Kong, in particular the catering industry, remained uncertain and challenging. As at 30 June 2023, the Group had four restaurants in operation compared to three as at 30 June 2022. With such difficult circumstances, the Group recorded an increase in net loss for the period attributable to the owners of the Company from approximately HK\$2.7 million for 2022/23Q1 to approximately HK\$4.7 million for 2023/24Q1, representing an increase of approximately HK\$2.0 million or 76.6%.

b) Future prospects and outlook of the Group

The Group's revenue mainly derived from the operation of casual dining restaurants under a portfolio of brands in Hong Kong. According to the 2023 AR, the Group operated four restaurants under the brands of “*Du Hsiao Yueh Restaurant (度小月)*” and “*Da Shia Taiwan (大呷台灣)*” in the urban area of Hong Kong.

Overview on the Hong Kong restaurant sector

According to the public information published by the Census and Statistics Department, the receipts for all restaurants in Hong Kong recorded a year-on-year change of approximately 16.8% and -6.3% in 2021 and 2022, respectively. For Chinese restaurants, the receipts recorded a year-on-year change of approximately 18.4% and -10.0% in 2021 and 2022, respectively. In the first and second quarter of 2023, the receipts for all restaurants in Hong Kong recorded a year-on-year change of approximately 81.8% and 24.3%, respectively. For Chinese restaurants, the change was even more vigorous with an increase of approximately 127.0% and 29.3% in the first and second quarter of 2023, respectively. Moreover, according to the Hong Kong Tourism Board, the number of total tourists for the period January to August 2023 reached approximately 20.6 million, representing approximately 11,100% growth for the same period in 2022.

On 14 September 2023, the Hong Kong government has launched the “Night Vibes Hong Kong”. At the campaign launch ceremony, the Financial Secretary, Mr. Paul Chan, mentioned “although the society had resumed normal entering the third quarter, air services, tourist arrivals and domestic spending had yet been fully recovered. Besides, lifestyle habits of many people had changed following the global pandemic that lasted for three years, and that they might now go out less frequently in the evening.” The series of nightlife events aims to encourage and attract tourists from different age groups and sectors to go out and enjoy the dynamic vibe in Hong Kong, and are expected to stimulate consumption and economy as a whole.

c) Our view

As depicted in the paragraph headed “Historical financial information on the Group” of this letter, as a result of the Pandemic, the Group's financial performance has substantially worsened in the recent financial years. Despite recent statistics showed that the business for Chinese restaurants in Hong Kong has rebounded significantly in the first two quarters of 2023 while the number of tourists to Hong Kong has also increased so far in 2023, financial performance of the Group in 2023/24Q1 was shown to be still crippled by the aftermath of the Pandemic with a time lag in its recovery and yet to be able to capture the growth opportunities.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In order to improve the overall performance of the consumption and catering industry, many companies in Hong Kong, including MTR Corporation Limited, are actively supporting the Hong Kong government's "Night Vibes Hong Kong" initiative by offering various incentives to attract citizens to go out and consume. For example, the Hong Kong government launched the "Night Vibes Hong Kong" and introduced multiple activities to stimulate the nighttime economy and MTR Corporation Limited also offered fare discounts, where passengers who exit after 10:30 p.m. can receive a "ride 5 get 1 free" promotion. We believe that these government policies can enhance citizens' willingness to dine out, thereby helping to improve the overall performance of the consumption and catering industry in the short term. Taken into account of the "Night Vibes Hong Kong" campaign and gradual growth of tourists, we believe the business of the Group would be benefited by the positive effects in the consumption and catering industry in the long term.

2. Information on the Offeror and Ms. Kong

a) Information on the Offeror

As disclosed in the Letter from Sorrento Securities, the Offeror was a company incorporated in the British Virgin Islands with limited liability on 11 July 2023 for the purpose of holding the Shares. As at the Latest Practicable Date, the Offeror is legally, beneficially and wholly owned by Mr. Zhou who is also the sole director of the Offeror.

Mr. Zhou, aged 53, is the sole legal and beneficial owner and the sole director of the Offeror. He completed his studies in architectural engineering (建築工程) at the Anhui Institute of Architecture and Industry* (安徽建築工業學院) (currently known as Anhui Jianzhu University (安徽建築大學)) in the People's Republic of China in July 1990. Mr. Zhou has extensive experience in management, marketing and corporate planning. He had served in a number of companies, including Fujian Wanghe Food Co., Ltd.* (福建旺禾食品有限公司) as the deputy chairman of the board of directors and Beijing Jinmifang Technology Co., Ltd.* (北京今米房科技有限公司) as the chairman of the board of directors. As at the Latest Practicable Date, he was the chairman of the board of directors of Nanjing Runhuang Liquor Co., Ltd.* (南京潤皇酒業有限公司), a company principally engaged in sales of liquor, and he is mainly responsible for overseeing the company's operation, strategic planning and formulating business models as well as development and investment plans.

b) Information on Ms. Kong

Ms. Kong is a member of The Hong Kong Institution of Engineers and has more than 15 years of work experience in the engineering field. She works at a transport company in Hong Kong, responsible for supervising construction projects, and holds a degree of master of engineering in mechanical engineering.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Ms. Kong has over 15 years of experience in trading in listed securities in Hong Kong. Immediately before Completion, Ms. Kong did not hold any interest in Shares. She was invited by Mr. Zhou (being the ultimate beneficial owner of the Offeror, the purchaser under Sale and Purchase Agreement 1 and a friend of Ms. Kong) to invest in the Company. While Mr. Zhou intended to acquire a controlling stake in the Company, he had no intention to acquire all the Shares held by the Selling Shareholders immediately prior to entering into the Sale and Purchase Agreements and believed that Ms. Kong had sufficient financial resources to acquire some of the Shares. Having considered the discount of the consideration per Sale Share to the then market price of the Shares and the potential capital appreciation of the Shares, Ms. Kong entered into Sale and Purchase Agreement 2 for the acquisition of 250,000,000 Sale Shares as a passive investor. Immediately after Completion and as at the Latest Practicable Date, Ms. Kong holds 250,000,000 Shares.

Save as disclosed above, as at the Latest Practicable Date, Ms. Kong did not have any relationship with the Offeror and/or its ultimate beneficial owner and is an Independent Third Party. Ms. Kong does not have intention to be a director of the Company.

c) Our view

Mr. Zhou currently holds the position of chairman of the board of directors at Nanjing Runhuang Liquor Co., Ltd.* (南京潤皇酒業有限公司), where he is responsible for overseeing the company's operations, strategic planning, business model formulation, and development and investment plans. We are of the view that his active involvement in a liquor sales company demonstrates his proficiency in the food and beverage industry, which aligns well with the restaurant business that the Company is engaged in. Also, we believe that Mr. Zhou's knowledge of various industries, strategic thinking, and experience in overseeing and growing businesses make him well-suited to effectively manage and lead the Company's operations and drive its development.

As disclosed in the Letter from Sorrento Securities, Ms. Kong entered into Sale and Purchase Agreement 2 for the acquisition of 250,000,000 Sale Shares as a passive investor. Given that Ms. Kong is not expected to be a proposed Director, we are of the view that her interest in the Company does not have impact on the Group's business.

3. Intentions of the Offeror regarding the Group

To provide the Independent Shareholders and the Optionholders with information regarding the intentions of the Offeror, set out below is the Offeror's intentions on the Group's business as extracted from the "Letter from Sorrento Securities" in this Composite Document:

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Following the close of the Offers, it is the intention of the Offeror that the Group will continue with its existing principal business. The Offeror does not intend to introduce any major changes to the existing operations and business of the Group immediately after close of the Offers and will neither redeploy nor dispose of any of the assets (including fixed assets) of the Group other than in the ordinary course of business. As at the Latest Practicable Date, the Offeror did not have any intention, understanding, negotiation, arrangement, and agreements (formal or informal, express or implied) to downsize or dispose of any existing business or assets of the Group.

Nevertheless, following the close of the Offers, the Offeror will conduct a detailed review on the existing principal operations and business, 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. Any acquisition or disposal of the assets or business of the Group, if any, will be in compliance with the GEM Listing Rules and the Takeovers Code.

As at the Latest Practicable Date, no investment or business opportunity had been identified nor had the Offeror entered into any agreement, arrangement, understanding or negotiation in relation to (a) the injection of any assets or business into the Group; or (b) the disposal of any assets or business of the Group.

Save for the proposed change(s) to the composition of the Board as mentioned below, as at the Latest Practicable Date, the Offeror had no plan to terminate the employment of any other employees or other personnel of the Group. However, the Offeror reserves the right to make any changes that they deem necessary or appropriate to the benefit of the Group.

Our view

As disclosed in the Letter from Sorrento Securities, the Offeror does not intend to introduce any major changes to the existing operations and business of the Group immediately after close of the Offers and will neither redeploy nor dispose of any of the assets (including fixed assets) of the Group other than in the ordinary course of business.

Nevertheless, we are of the view that the Independent Shareholders should closely monitor the future plan and prospects of the Group after close of the Offers. The Offeror reserves the right to make any changes that it deems necessary or appropriate to the benefit of the Group. In any event, the Independent Shareholders should note that there is no guarantee that the changes deemed necessary or appropriate for the Group by the Offeror will have a positive impact on the business or development of the Group.

4. Proposed change of the Board composition of the Company

As at the Latest Practicable Date, the Board comprised Mr. Wong Man Wai, Mr. Chan Chak To Raymond and Ms. Lam Wai Kwan as executive Directors; and Mr. Ma Yiu Ho Peter, Mr. Cai Chun Fai and Mr. Ng Sai Cheong as independent non-executive Directors.

In compliance with Rule 7 of the Takeovers Code, it is intended that all of the existing Directors (save for Mr. Wong Man Wai), will resign from the Board taking effect no earlier than the publication of the closing announcement on the first closing date of the Offers or at the earliest time permitted under the Takeovers Code.

The Offeror intends to nominate new Directors to the Board to facilitate the business operation, management and strategy of the Group with effect from the date immediately after the date on which this Composite Document is posted or such other date as permitted under the Takeovers Code, or such later date as the Offeror considers to be appropriate. Further announcement(s) (including the biographies of the new Directors) will be made immediately after their appointments.

Any changes to the members of the Board will be made in compliance with the Takeovers Code and the GEM Listing Rules.

B. THE OFFERS

1. Terms of the Offers

The Share Offer

As stated in the Letter from the Board, Sorrento Securities, for and on behalf of the Offeror and in compliance with the Takeovers Code, is making the Share Offer on the following basis:

For every Offer Share HK\$0.032 in cash

The Share Offer Price of HK\$0.032 per Offer Share under the Share Offer is equal to (i) the price per Sale Share paid by the Offeror for the 1,729,440,000 Sale Shares under Sale and Purchase Agreement 1; and (ii) the price per Sale Share paid by Ms. Kong for the 250,000,000 Sale Shares under Sale and Purchase Agreement 2.

The Share Offer is extended to all Shareholders other than the Offeror and parties acting in concert with it in accordance with the Takeovers Code. The Offer Shares to be acquired under the Share Offer shall be fully paid and free from all Encumbrances together with all rights attached thereto, including but not limited to

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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 despatch of this Composite Document.

The Share Offer is unconditional in all respects when made.

The Option Offer

As stated in the Letter from the Board, Sorrento Securities, for and on behalf of the Offeror, is making the Option Offer to the Optionholders in accordance with Rule 13 of the Takeovers Code to cancel all outstanding Options in exchange for cash on the following basis:

In respect of Options with an exercise price of HK\$0.163 each:

For cancellation of each such OptionHK\$0.0001 in cash

In compliance with Rule 13 of the Takeovers Code, the Option Offer Price for cancellation of the outstanding Options represents the “see-through” price, which is the difference between the Share Offer Price and the exercise price for each outstanding Option. As the outstanding Options have an exercise price of HK\$0.163 each, which is above the Share Offer Price, such “see-through” price is negative. Therefore, the Option Offer Price for the cancellation of each such Offer Option will be a nominal cash amount of HK\$0.0001.

The Option Offer is unconditional in all respects when made. Following acceptance of the Option Offer, the relevant Options together with all rights attaching thereto will be entirely cancelled and renounced.

The Offeror confirms that the Share Offer Price and the Option Offer Price are final and will not be increased.

2. Analysis of the Share Offer Price

The Share Offer Price of HK\$0.032 per Offer Share represents:

- (i) a discount of approximately 82.51% to the closing price of HK\$0.183 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 81.92% to the closing price of HK\$0.177 per Share as quoted on the Stock Exchange on the Last Trading Day;

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- (iii) a discount of approximately 82.40% to the average closing price of approximately HK\$0.1818 per Share, being the average closing price of the Shares as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;
- (iv) a discount of approximately 78.68% to the average closing price of approximately HK\$0.1501 per Share, being the average closing price of the Shares as quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to and including the Last Trading Day;
- (v) a discount of approximately 69.92% to the average closing price of approximately HK\$0.1064 per Share, being the average closing price of the Shares as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Day; and
- (vi) a premium of approximately 300.00% over the audited consolidated net assets per Share of approximately HK\$0.008 as at 31 March 2023, which was calculated based on the audited consolidated net asset value attributable to owners of the Company of approximately HK\$21,045,000 as at 31 March 2023 (the date on which the latest audited financial results of the Group were made up) and 2,643,360,000 Shares in issue as at the Latest Practicable Date.

a) Historical Share price performance

Set out below is the movement of the daily closing price of the Shares as quoted on the Stock Exchange during the period commencing from 29 September 2022, being the twelve-month period prior to the Last Trading Day and up to the Latest Practicable Date (the “**Review Period**”). We consider that the Review Period, covering a full twelve-months period to the Last Trading Day and up to the Latest Practicable Date, (i) is appropriate for reviewing the recent financial position of the Group; (ii) represents a reasonable period to provide a general overview of the recent price performance and the recent trading volume of the Shares for conducting an analysis against the Share Offer Price; (iii) is long enough to avoid any short-term fluctuation which may distort our analysis; and (iv) is a common market practice to form the review period.

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Historical Share Price Performance of the Company during the Review Period



Source: The Stock Exchange website (www.hkex.com.hk)

As illustrated in the chart above, during the Review Period, the closing price of the Shares traded at an average of approximately HK\$0.029 per Share, with the highest and lowest prices of the Shares, being HK\$0.196 per Share recorded on 28 September 2023 and HK\$0.013 per Share recorded on 7 June 2023. The Share Offer Price of HK\$0.032 per Share represents a premium of approximately 10.1% to the average closing price of approximately HK\$0.029 per Share during the Review Period.

We noted that the closing price of the Shares remained stable from September 2022 to June 2023 with a closing price of below HK\$0.02 in general. Since late July 2023, the closing price of the Shares broke HK\$0.02 and there has been a surge in the closing price after early August 2023 after the 2023/24 Q1R was published on 8 August 2023. The Management confirmed that aside from the publication of 2023/24 Q1R, the Company is not aware of the reason for the surge. Since 9 August 2023, the closing price remained well above HK\$0.02 with an average of HK\$0.10. The Share Offer Price of HK\$0.032 per Share represents a discount of approximately 66.4% to the average closing price of approximately HK\$0.10 per Share after the publication of the 2023/24 Q1R. Upon the publication of the Joint Announcement up to the Latest Practicable Date, the recent closing price of the Shares continued to stay well above the Share Offer Price with an average of HK\$0.179.

As such, we are of the view that realising their investment in Shares in the open market is more favourable than accepting the Share Offer. Nonetheless, the Independent Shareholders should be aware that the price trend may be affected by many different factors such as (i) the investors or Shareholders' view on the Group's industry prospects or future; (ii) the Offeror's intention to nominate new Directors

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to the Board; or (iii) the market trend. It is uncertain whether the current level of Share price will be sustained after the close of the Share Offer. The Independent Shareholders should closely monitor the market and price trends of the Shares.

b) Historical Share liquidity

The following table sets out the total trading volume per month and the average daily trading volume per month of the Shares during the Review Period:

	Total trading volume of the Shares for the month/ period	Number of trading days (Note 1)	Average daily trading volume	Total number of issued Shares at the end of the month/period (Note 2)	% of average daily trading volume to total number of Shares as at the end of the month/period	% of average daily trading volume to total number of Shares held by public Shareholders as at the end of the month/ period (Note 3)
2022						
Sept	267,360,000	21	12,731,429	2,643,360,000	0.48%	1.92%
Oct	2,780,000	20	139,000	2,643,360,000	0.01%	0.02%
Nov	1,240,000	22	56,364	2,643,360,000	0.00%	0.01%
Dec	1,120,000	20	56,000	2,643,360,000	0.00%	0.01%
2023						
Jan	5,500,000	18	305,556	2,643,360,000	0.01%	0.05%
Feb	480,000	20	24,000	2,643,360,000	0.00%	0.00%
Mar	6,120,000	23	266,087	2,643,360,000	0.01%	0.04%
Apr	640,000	17	37,647	2,643,360,000	0.00%	0.01%
May	480,000	21	22,857	2,643,360,000	0.00%	0.00%
Jun	1,300,000	21	61,905	2,643,360,000	0.00%	0.01%
Jul	11,640,000	20	582,000	2,643,360,000	0.02%	0.09%
Aug	365,520,000	23	15,892,174	2,643,360,000	0.60%	3.09%
Sep	83,840,000	19	4,412,632	2,643,360,000	0.17%	0.86%
Oct (10th to 27th)	47,340,000	13	3,641,538	2,643,360,000	0.14%	0.71%
				Minimum	0.00%	0.00%
				Maximum	0.60%	3.09%
				Average	0.10%	0.49%

Source: The Stock Exchange website (www.hkex.com.hk)

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Notes:

1. Number of trading days of the Shares represents number of trading days during the month or period which excludes any trading day on which trading of the Shares on the Stock Exchange was suspended for the whole trading day (if applicable).
2. Based on the total number of the Shares in issue at the end of each month or period as disclosed in the monthly returns of the Company.
3. Based on the number of Shares held by public Shareholders as calculated by deducting the Shares held by the Offeror and the parties acting in concert with it from the total number of the Shares in issue at the end of each month or period.

We noted from the above table that the trading volume of the Shares was generally thin during the Review Period. The percentage of average daily trading volume of the Shares to the total issued Shares and average daily trading volume of the Shares to the total issued Shares held by public Shareholders during the Review Period were approximately 0.10% and 0.49%, respectively.

Given the inactive trading of the Shares, the Independent Shareholders (especially those with relatively sizeable shareholdings) may encounter difficulties in selling a significant number of Shares in the open market at a fixed cash price within a short period of time without disturbing the market price. While the Share Offer provides an exit alternative at the Share Offer Price for the Independent Shareholders who would like to realise their investments in the Shares at a fixed price and within a short period of time, those Independent Shareholders are also advised to consider to sell their Shares in the open market instead of accepting the Share Offer given the closing prices of the Shares had been staying well above the Share Offer Price in recent months, after taking into account the possible pressure on the Share price when selling in bulk. Independent Shareholders should also be aware that they may have to sell their Shares in the market by batches if they do not accept the Share Offer.

c) Industry Comparable Analysis

In order to further assess the fairness and reasonableness of the Share Offer Price, we have considered the price-to-book ratio (the “**P/B Ratio**”), the price-to-earnings ratio and dividend yield which are commonly adopted trading multiple analyses. Given that the Group was loss-making for FY2023 and no dividend was distributed for FY2021, FY2022 and FY2023 while the majority of listed comparable of the same industry identified with criteria as explained below was also loss-making for their latest published financial year, which can be attributable to the pandemic, the analysis on price-to-earnings ratio and dividend yield are therefore not applicable. We consider P/B Ratio to be an appropriate indicator of the fair values of the comparable companies.

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Based on the Share Offer Price of HK\$0.032 per Offer Share and the total number of issued Shares of 2,643,360,000 as at the Latest Practicable Date, the Company is valued at approximately HK\$84.6 million (the “**Implied Market Cap**”). The P/B Ratio of the Company implied by the Offer Price is approximately 4.02 times (the “**Implied P/B Ratio**”) based on the audited consolidated net asset value of the Company of approximately HK\$21.0 million as at 31 March 2023.

In evaluating the fairness and reasonableness of the Offer Price, we have, based on our search on the website of the Stock Exchange, identified an exhaustive list of seven listed companies on the Stock Exchange (the “**Peer Comparable**”) which (i) over 80% of the revenue for the latest full financial year was generated from the operation of restaurants; (ii) the major restaurants are located in Hong Kong; and (iii) the Peer Comparable has similar market capitalisation comparing to the Group (i.e. not more than HK\$180 million and not less than HK\$40 million as at the Latest Practicable Date).

Although the number of the Peer Comparable was limited, considering that the casual dining food catering services business of the Company is affected directly by the restaurant industry as a whole, we are of the view that the business performances of the peer listed companies engaged in the same industry are comparable with that of the Company and, in our opinion, constitute the closest proxies to the Company and are therefore fair and representative samples to serve as a general reference to the valuation of the Group’s business. As a result, we consider that the Peer Comparable provides a relevant analysis for the Independent Shareholders based on the above.

The table below illustrates the market capitalisation and net asset value of the Peer Comparable as well as the calculated P/B Ratio:

Company name (Stock code)	Principal activities	% of revenue generated from the operation of restaurants	Market capitalisation as at the Latest Practicable Date (HK\$’ million)	Net asset value (HK\$’ million)	P/B Ratio (Note 1) (times)
Welif Technology Limited (1703)	include operation of Chinese restaurants in Hong Kong and the PRC	99.5	149.5	11.9	12.60
Life Concepts Holdings Limited (8056)	include operation of restaurants in Hong Kong serving Western and Italian cuisines	87.6	77.8	(99.8)	N/A

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Company name (Stock code)	Principal activities	% of revenue generated from the operation of restaurants	Market capitalisation as at the Latest Practicable Date (HK\$' million)	Net asset value (HK\$' million)	P/B Ratio (Note 1) (times)
China Demeter Financial Investments Limited (8120)	include operation of restaurants serving Japanese cuisine, Thai food and western food in Hong Kong	82.8	104.7	129.4	0.81
Simplicity Holding Limited (8367)	include operation of restaurants serving Chinese, Thai and Malaysian cuisine in Hong Kong	87.9	111.6	15.4	7.24
MS Concept Limited (8447)	include operation of a chain of restaurants in Hong Kong	100.0	47.0	46.7	1.01
1957 & Co. (Hospitality) Limited (8495)	include operation of restaurants in Hong Kong	99.5	94.8	75.8	1.25
Jia Group Holdings Limited (8519)	include fine dining, mid-market dining, specialty coffee and casual dining in Hong Kong	91.8	71.9	(2.9)	N/A
Average					4.58
The Share Offer	Principal activities	% of revenue generated from the operation of restaurants	Theoretical market capitalisation (Note 2)	Net asset value	Implied P/B Ratio (Note 3)
The Company	provision of casual dining food catering services in Hong Kong	92.8	84.6	21.0	4.02

Source: the website of the Stock Exchange (www.hkex.com.hk) and the latest published annual reports of the respective Peer Comparable

Notes:

- The P/B Ratios of the Peer Comparable are calculated based on the market capitalisation of the respective Peer Comparable as at the Latest Practicable Date divided by the net assets value of the respective Peer Comparable as extracted from their respective latest published annual reports as at the Latest Practicable Date.
- The theoretical market capitalisation of the Company is calculated based on the Share Offer Price.

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3. The Implied P/B Ratio is calculated based on the theoretical market capitalisation of the Company derived from the Offer Price divided by the net assets value of the Company as extracted from the latest published annual report as at the Latest Practicable Date.

Save for the Peer Comparable that recorded net liabilities, we noted that the P/B Ratios of the Peer Comparable were polarised with the lower end close to 1 time while the upper end close to 7 and 13 times, with the average P/B Ratios for the Peer Comparable being approximately 4.58 times. It reflected the market has a diverse outlook for the restaurant industry in Hong Kong and rather evaluate the performance together with the prospect of the Peer Comparable on an individual basis.

Considering the Offer's Implied P/B Ratio of approximately 4.02 time is lower than the average P/B Ratios for the Peer Comparable of approximately 4.58 times, this indicates that the investors are generally willing to pay more (in terms of multiple to the amount of net asset value) to invest in the revenue generating assets of the Peer Comparable than the Offeror at the Share Offer.

3. Analysis of the Option Offer Price

With reference to the Letter from the Board, save for the Options, as at the Latest Practicable Date, the Company did not have any outstanding options, derivatives, warrants or other securities convertible or exchangeable into Shares or which confer rights to require the issue of Shares and had not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares or which confer rights to require the issue of Shares.

Given that the exercise price of the outstanding Options (being HK\$0.163) is significantly higher than the Share Offer Price, the "see-through" price is negative and the outstanding Options are deeply out of the money. We consider that the Option Offer Price of a nominal value of HK\$0.0001 for the cancellation of each Option is fair and reasonable as far as the Optionholders are concerned.

C. RECOMMENDATIONS

The Share Offer

Having considered the principal factors and reasons as discussed above and summarised below:

Notwithstanding that (i) the Share Offer Price represents a premium over the audited consolidated net asset value of the Group as at 31 March 2023; (ii) the Independent Shareholders may encounter difficulties in selling their Shares in the open market in bulk at a fixed cash price within a short period of time without disturbing the market price given the thin trading volume of the Shares during the Review Period; and (iii) the

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Group's recovery momentum is yet to be reflected in the latest financial performance as discussed in the paragraph headed "Future prospects and outlook of the Group", having considered that:

- (i) the Share Offer Price is unattractive, given that:
 - (a) the recent closing prices of the Shares had been staying well above the Share Offer Price; and
 - (b) it represents a deep discount to the closing price of the Shares on the Last Trading Day, the average closing price of the Shares for the last five (5), ten (10) and thirty (30) consecutive trading days up to and including the Last Trading Day;
- (ii) the Implied P/B Ratio of the Company as represented by the Share Offer is lower than that of the average of the Peer Comparable;
- (iii) despite the decrease in revenue and increase in loss for FY2023 as compared to FY2022,
 - (a) the Group has no liquidity problem to continue its operation and business as indicated in the 2023 AR as mentioned in the paragraph "Historical financial information of the Group" in our letter; and
 - (b) the business of the Group is expected to be benefited by the positive effects in the consumption and catering industry brought by the series of nightlife events organised by the Hong Kong government as mentioned in the paragraph "Overview on the Hong Kong restaurant sector" in our letter,

we are of the view that the Share Offer Price is not fair and reasonable so far as the Independent Shareholders are concerned and not in the interests of the Independent Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to recommend, and we recommend, the Independent Shareholders not to accept the Share Offer.

Nevertheless, the Independent Shareholders should closely monitor the market price and liquidity of the Shares during the Offer Period and carefully consider the relevant risks and uncertainties based on their individual risk preference and tolerance level. In any event, the Independent Shareholders should note that there is no guarantee that the prevailing level of the Share price will sustain during and after the Offer Period. Those Independent Shareholders who decide to retain part or all of their investment in the Shares should also carefully monitor the financial performance of the Group, the Share

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price as well as the intentions of the Offeror in relation to the Company in the future, and the potential difficulties they may encounter in disposing of their investment in the Shares after the close of the Offers in view of the historical low trading liquidity.

The Option Offer

Given that the exercise price of each outstanding Option (being HK\$0.163) is significantly higher than the Share Offer Price, the outstanding Options are deeply out of the money. We consider that the Option Offer Price of a nominal value of HK\$0.0001 for the cancellation of each Option is fair and reasonable so far as the Optionholders are concerned. Accordingly, we recommend the Independent Board Committee to advise the Optionholders to accept the Option Offer.

Yours faithfully,
for and on behalf of
Ample Capital Limited

H.W. Tang
President

K.Y. Law
Vice President

Mr. H.W. Tang is a licensed person registered with the Securities and Futures Commission of Hong Kong and a responsible officer of Ample Capital Limited, which is licensed under the SFO to carry out Type 6 (advising on corporate finance) regulated activity. Mr. H.W. Tang has over 19 years of experience in the corporate finance industry.

Ms. K.Y. Law is a licensed person registered with the Securities and Futures Commission of Hong Kong and a responsible officer of Ample Capital Limited, which is licensed under the SFO to carry out Type 6 (advising on corporate finance) regulated activity. Ms. K.Y. Law has over 10 years of experience in the corporate finance industry.

1. GENERAL PROCEDURES FOR ACCEPTANCE OF THE SHARE OFFER

- (a) To accept the Share Offer, you should complete and sign the accompanying **WHITE** Form of Share Offer Acceptance in accordance with the instructions printed thereon, which form part of the terms of the Share Offer.
- (b) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect hereof) in respect of your Shares is/are in your name, and you wish to accept the Share Offer in respect of your Shares (whether in full or in part), you must send the duly completed and signed **WHITE** Form of Share Offer Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) for the number of Shares in respect of which you intend to accept the Share Offer, by post or by hand, to the Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, marked “Royal Group Holdings International Company Limited — Share Offer” on the envelope, as soon as possible and in any event so as to reach the Registrar by no later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and the Offeror and the Company may jointly announce with the consent of the Executive in accordance with the Takeovers Code.
- (c) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Share Offer in respect of your Shares (whether in full or in part), you must either:
 - (i) lodge your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares with the nominee company, or other nominee, with instructions authorising it to accept the Share Offer on your behalf and requesting it to deliver the duly completed and signed **WHITE** Form of Share Offer Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares to the Registrar by no later than 4:00 p.m. on the Closing Date; or
 - (ii) arrange for the Shares to be registered in your name by the Company through the Registrar, and deliver the duly completed and signed **WHITE** Form of Share Offer Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares to the Registrar by no later than 4:00 p.m. on the Closing Date; or

- (iii) if your Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees Limited to accept the Share Offer on your behalf on or before the deadline set by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or
 - (iv) if your Shares have been lodged with your investor participant's account maintained with CCASS, give your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set out by HKSCC Nominees Limited.
- (d) If the share certificate(s) and/or transfer receipts and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the Share Offer in respect of your Shares, the **WHITE** Form of Share Offer Acceptance should nevertheless be completed and signed and delivered to the Registrar together with a letter stating that you have lost one or more of your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares or that it is/they are not readily available. If you find such document(s) or if it/they become(s) available, it/they should be forwarded to the Registrar as soon as possible thereafter. If you have lost your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title, you should also write to the Registrar a letter of indemnity which, when completed in accordance with the instructions given, should be delivered to the Registrar. The Offeror shall have the absolute discretion to decide whether any Shares in respect of which the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title is/are not readily available and/or is/are lost will be taken up by the Offeror.
- (e) If you have lodged transfer(s) of any of your Shares for registration in your name and have not yet received your share certificate(s), and you wish to accept the Share Offer in respect of your Shares, you should nevertheless complete and sign the **WHITE** Form of Share Offer Acceptance and deliver it to the Registrar together with the transfer receipt(s) duly signed by yourself. Such action will constitute an irrevocable authority to the Offeror and/or Sorrento Securities and/or their respective agent(s) to collect from the Company or the Registrar on your behalf the relevant share certificate(s) when issued and to deliver such share certificate(s) to the Registrar on your behalf and to authorise and instruct the Registrar to hold such

share certificate(s), subject to the terms and conditions of the Share Offer, as if it was/they were delivered to the Registrar with the **WHITE** Form of Share Offer Acceptance.

- (f) Acceptance of the Share Offer will be treated as valid only if the duly completed and signed **WHITE** Form of Share Offer Acceptance is received by the Registrar by no later than 4:00 p.m. on the Closing Date (or such later time and/or date as the Offeror may determine and the Offeror and the Company may jointly announce with the consent of the Executive in accordance with the Takeovers Code) and the Registrar has recorded that the **WHITE** Form of Share Offer Acceptance and any relevant documents as required by Note 1 to Rule 30.2 of the Takeovers Code have been so received, and is:
- (i) accompanied by the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares and, if that/those share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) is/are not in your name, such other documents (e.g. a duly stamped transfer of the relevant Share(s) in blank or in favour of the acceptor executed by the registered holder) in order to establish your right to become the registered holder of the relevant Shares; or
 - (ii) from a registered Shareholder or his/her personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Shares which are not taken into account under another subparagraph of this paragraph (f)); or
 - (iii) certified by the Registrar or the Stock Exchange.
- (g) If the **WHITE** Form of Share Offer Acceptance is executed by a person other than the registered Shareholders, appropriate documentary evidence of authority (e.g. grant of probate or certified copy of a power of attorney) to the satisfaction of the Registrar must be produced.
- (h) In Hong Kong, seller's ad valorem stamp duty payable by the Independent Shareholders who accept the Share Offer and calculated at a rate of 0.13% of the market value of the Offer Shares or consideration payable by the Offeror in respect of the relevant acceptances of the Share Offer, whichever is the higher, will be deducted from the amount payable by the Offeror to the relevant Shareholders on the acceptance of 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 will pay the buyer's ad valorem stamp duty in connection

with the acceptance of the Share Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

- (i) No acknowledgement of receipt of any **WHITE** Form of Share Offer Acceptance, share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares will be given.

2. COURSES OF ACTION AVAILABLE TO THE OPTIONHOLDERS

You may take any of the following courses of action with respect to your outstanding Options:

- (a) to the extent any of your outstanding Options are not exercised on or prior to the Closing Date, you may accept the Option Offer in accordance with its terms (as set out in this Composite Document and the **PINK** Form of Option Offer Acceptance) and receive the price of HK\$0.0001 for cancellation of each outstanding Option by returning the duly completed and signed **PINK** Form of Option Offer Acceptance enclosed together with the relevant document(s) as soon as possible and in any event by no later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and the Offeror and the Company may jointly announce with the consent of the Executive in accordance with the Takeovers Code, to the company secretary of the Company at Unit 603, 6/F, Block A, Hong Kong Industrial Centre, 489–491 Castle Peak Road, Kowloon, Hong Kong, marked “Royal Group Holdings International Company Limited — Option Offer” on the envelope;
- (b) you may in accordance with the terms of the Share Option Scheme exercise some or all of outstanding vested Options (to the extent not already exercised), by submitting a notice for exercising the Options together with a cheque for payment of the subscription monies and the related certificates (if applicable) for the Options to the company secretary of the Company no later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and the Offeror and the Company may jointly announce with the consent of the Executive in accordance with the Takeovers Code, and the Share issued as a result of the exercise of such Options will be subject to and eligible to participate in the Share Offer. Optionholders who wish to accept the Share Offer should at the same time complete and sign the **WHITE** Form of Share Offer Acceptance and deliver it to the Registrar together with a copy of the set of documents delivered to the Company for exercising the Options. Exercise of the Options is subject to the terms and conditions of the Share Option Scheme and the terms attaching to the grant of the relevant Options. Delivery of the completed and signed **WHITE** Form of Share Offer Acceptance to the Registrar will not serve to complete the exercise of the Options but will only be deemed to be an irrevocable authority to the Offeror and/or

Sorrento Capital and/or Sorrento Securities and/or any of their respective agent(s) or such other person(s) as they may direct to collect from the Company or the Registrar on his/her behalf the relevant share certificate(s) when issued on exercise of the Options as if it was/they were delivered to the Registrar with the **WHITE** Form of Share Offer Acceptance. If an Optionholder fails to exercise his/her Options as aforesaid, there is no guarantee that the Company may issue the relevant share certificates in respect of the Shares allotted pursuant to his/her/its exercise of the Options to such Optionholder in time for him/her to accept the Share Offer as a Shareholder of such Shares under the terms of the Share Offer. Please refer to this Composite Document for the details of the Share Offer and the acceptance thereof; or

- (c) you may do nothing, and in which case, unexercised Options will lapse automatically after the Closing Date in accordance with the terms of the Share Option Scheme and you will not receive the Option Offer Price.

3. GENERAL PROCEDURES FOR ACCEPTANCE OF THE OPTION OFFER

- (a) To accept the Option Offer, you should complete and sign the accompanying **PINK** Form of Option Offer Acceptance in accordance with the instructions printed thereon, which form part of the terms of the Option Offer.
- (b) If you are an Optionholder and you wish to accept the Option Offer in respect of your Options, you must send the duly completed and signed **PINK** Form of Option Offer Acceptance together with the relevant certificate(s) of the Options (if applicable) and/or other document(s) of title or entitlement in respect of the Options, and/or other document(s) (if applicable) evidencing the grant of the Options to you (and/or satisfactory indemnity or indemnities required in respect thereof) for your holding of Options (or if applicable, for not less than the number of Options in respect of which you intend to accept the Option Offer), by post or by hand, to the company secretary of the Company at Unit 603, 6/F, Block A, Hong Kong Industrial Centre, 489–491 Castle Peak Road, Kowloon, Hong Kong marked “Royal Group Holdings International Company Limited — Option Offer” on the envelope, as soon as possible and in any event so as to reach the company secretary of the Company by no later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and the Offeror and the Company may jointly announce with the consent of the Executive in accordance with the Takeovers Code.
- (c) No stamp duty will be deducted from the amount paid or payable to the Optionholder who accepts the Option Offer.

- (d) No acknowledgment of receipt of any **PINK** Form(s) of Option Offer Acceptance, certificate(s) of the Options (if applicable) and/or any other documents of title (and/or any satisfactory indemnity/indemnities required in respect thereof) in respect of the Options will be given.

4. SETTLEMENT OF THE OFFERS

4.1 The Share Offer

- (a) Provided that a valid **WHITE** Form of Share Offer Acceptance and the relevant certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the relevant Shares are complete and in good order in all respects and have been received by the Registrar before the close of the Share Offer, a cheque for the amount (rounding up to the nearest cent) due to each of the Independent Shareholders who accepts the Share Offer less seller's ad valorem stamp duty in respect of the Shares tendered by him/her/it under the Share Offer will be despatched to such Independent Shareholder by ordinary post at his/her/its own risk as soon as possible but in any event no later than seven (7) Business Days after the date of receipt by the Registrar of the duly completed acceptances of the Share Offer and all relevant documents of title which render such acceptance complete, valid and in compliance with Note 1 to Rule 30.2 of the Takeovers Code.
- (b) Settlement of the consideration to which any accepting Independent Shareholder is entitled under the Share Offer will be implemented in full in accordance with the terms of the Share Offer (save with respect to the payment of seller's ad valorem stamp duty), without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such accepting Independent Shareholder.
- (c) Cheque(s) not presented for payment within six months from the date of issue of the relevant cheques will not be honoured and be of no further effect, and in such circumstances cheque holders should contact the Offeror for payment.

4.2 The Option Offer

- (a) Provided that a valid **PINK** Form of Option Offer Acceptance and the relevant certificate(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are complete and in good order in all respects and have been received by the company secretary of the Company before the close of the Option Offer, a cheque for the amount (rounding up to the nearest cent) due to the Optionholders in respect of the Options tendered by him/her under the Option Offer will be despatched to such

Optionholders by ordinary post at his/her own risk as soon as possible but in any event no later than seven (7) Business Days after the date of receipt by the company secretary of the Company of the duly completed acceptances of the Option Offer and all relevant documents which render such acceptance complete, valid and in compliance with Note 1 to Rule 30.2 of the Takeovers Code.

- (b) Settlement of the consideration to which any accepting Optionholder is entitled under the Option Offer will be implemented in full in accordance with the terms of the Option Offer, without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such accepting Optionholder.

5. ACCEPTANCE PERIOD AND REVISIONS

- (a) In order to be valid for the Offers, the **WHITE** Form of Share Offer Acceptance and the **PINK** Form of Option Offer Acceptance must be received by the Registrar (in respect of the Share Offer) or the company secretary of the Company (in respect of the Option Offer) in accordance with the instructions printed thereon by 4:00 p.m. on the Closing Date, unless the Offers are extended or revised with the consent of the Executive.
- (b) The Offeror and the Company will jointly publish an announcement on the Stock Exchange's website no later than 7:00 p.m. on the Closing Date stating the results of the Offers and whether the Offers have been extended, revised or have expired.
- (c) If the Offers are extended or revised, the announcement of such extension or revision will state the next closing date or that the Offers will remain open until further notice. In the latter case, at least fourteen (14) days' notice in writing will be given before the Offers are closed to the Independent Shareholders and the Optionholders who have not accepted the relevant Offers.
- (d) If, in the course of the Offers, the Offeror revises the terms of the Offers, all Independent Shareholders and the Optionholders, whether or not they have already accepted the relevant Offers, will be entitled to accept the revised Offers under the revised terms. The revised Offers will be kept open for at least fourteen (14) days after the date of the revised Offer document.
- (e) If the Closing Date is extended, any reference in this Composite Document and in the Forms of Acceptance to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the closing date of the Offers as so extended.

6. NOMINEE REGISTRATION

To ensure equality of treatment of all Independent Shareholders and Optionholders, those registered Independent Shareholders and Optionholders who hold Shares and Options as nominees on behalf of more than one beneficial owner should, as far as practicable, treat the holding of such beneficial owner separately. It is essential for the beneficial owners of the Shares and Options whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Offers.

7. ANNOUNCEMENTS

- (a) By 6:00 p.m. (or such later time as the Executive may in exceptional circumstances permit) on the Closing Date, the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the revision, extension or expiry of the Offers. The Offeror must post an announcement in accordance with the requirements of the GEM Listing Rules on the Stock Exchange's website by 7:00 p.m. on the Closing Date stating, amongst other information required under Rule 19.1 of the Takeovers Code, whether the Offers have been revised, extended, or have expired. The announcement will state the total number of Shares and Options:
- (i) for which acceptances of the Offers have been received;
 - (ii) held, controlled or directed by the Offeror and/or parties acting in concert with it before the Offer Period; and
 - (iii) acquired or agreed to be acquired during the Offer Period by the Offeror and/or parties acting in concert with it.

The announcement must include details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror or parties acting in concert with it have borrowed or lent, save for any borrowed shares which have been either on-lent or sold.

The announcement must also specify the percentages of the issued share capital of the Company and the percentages of voting rights of the Company represented by these numbers.

- (b) In computing the total number of Shares and Options represented by acceptances as of the Closing Date, only valid acceptances that are in all respects complete, in good order and fulfill the acceptance conditions set out in this Appendix, and which have been received by the Registrar (in respect of the Share Offer) or the company secretary of the Company (in respect of the Option Offer) no later than 4:00 p.m. on the Closing Date, unless the Offers are extended or revised with the consent of the Executive, shall be included.

- (c) As required under the Takeovers Code, all announcements in relation to the Offers will be made in accordance with the requirements of the Takeovers Code and the GEM Listing Rules, where appropriate.

8. RIGHT OF WITHDRAWAL

- (a) Acceptance of the Share Offer and the Option Offer tendered by Independent Shareholders and Optionholders, respectively, shall be irrevocable and cannot be withdrawn, except in the circumstances set out in the sub-paragraph (b) below.
- (b) In the circumstances set out in Rule 19.2 of the Takeovers Code (which is to the effect that if the Offeror is unable to comply with any of the requirements of making announcements relating to the Offers as described under the paragraph headed “7. Announcements” above), the Executive may require that acceptors of the Offers be granted a right of withdrawal, on terms acceptable to the Executive, until such requirements can be met.

In such case, when the Independent Shareholders and/or the Optionholders withdraw their acceptance(s), the Offeror shall, as soon as possible but in any event no later than seven (7) Business Days after the Offers are withdrawn, return by ordinary post the share certificate(s) and/or transfer receipt(s) and/or the certificate(s) of the Options and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) lodged with the Forms of Acceptance to the relevant Independent Shareholders and/or Optionholders at their own risks.

9. OVERSEAS SHAREHOLDERS AND OVERSEAS OPTIONHOLDERS

The Offeror intends to make the Offers available to all Independent Shareholders and Optionholders, including the Overseas Shareholders and the Overseas Optionholders. As the Share Offer and the Option Offer to persons with a registered address in a jurisdiction outside Hong Kong may be affected by the laws of the relevant overseas jurisdictions, the Overseas Shareholders and the Overseas Optionholders and beneficial owners of the Shares and/or Options who are citizens, residents or nationals of a jurisdiction outside Hong Kong should inform themselves about and observe any applicable legal or regulatory requirements and, where necessary, seek legal advice in respect of the Offers. It is the responsibility 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 but not limited to the obtaining of any governmental, exchange control or other consents and any registration or filing which may be required or the compliance with other necessary formalities, legal and/or regulatory requirements and the payment of any issue, transfer, cancellation or other taxes and duties due by such Overseas Shareholders and Overseas Optionholders in respect of the acceptance of the Offers in such jurisdictions.

The Offeror and the parties acting in concert with it, the Company, Sorrento Capital, Sorrento Securities, Ample Capital, the Registrar, the company secretary of the Company or any of their respective ultimate beneficial owners, directors, officers, agents, advisers and associates and any other person involved in the Offers shall be entitled to be fully indemnified and held harmless by the Overseas Shareholders or the Overseas Optionholders for any taxes or duties as such persons may be required to pay.

Acceptance of the Offers by any Overseas Shareholder or Overseas Optionholder will be deemed to constitute a representation and warranty from such Overseas Shareholder or Overseas Optionholder to the Offeror that the all applicable laws and requirements have been complied with and such Overseas Shareholder or Overseas Optionholder is permitted under all applicable laws and regulations to receive and accept the Offers, and any revision thereof, and such acceptance shall be valid and binding in accordance with all applicable laws and regulations. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above representation and warranty. The Overseas Shareholders and Overseas Optionholders should consult their professional advisers if in doubt.

10. TAXATION ADVICE

Independent 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 and the parties acting in concert with it, the Company, Sorrento Capital, Sorrento Securities, Ample Capital and (as the case may be) their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offers accept responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offers.

11. GENERAL

- (a) All communications, notices, Form(s) of Acceptance, share certificate(s), certificate(s) of the Option, transfer receipt(s), other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to settle the consideration payable under the Offers to be delivered by or sent to or from the Independent Shareholders and the Optionholders will be delivered by or sent to or from them, or their designated agents, by ordinary post at their own risk, and none of the Company, the Offeror and the parties acting in concert with it, Sorrento Capital, Sorrento Securities, Ample Capital and any of their respective directors nor the Registrar or the company secretary of the Company or other parties involved in the Offers or any of their respective agents accept any liability for any loss in postage, delay in transmission or any other liabilities that may arise as a result thereof.

- (b) The provisions set out in the Form(s) of Acceptance form part of the terms and conditions of the Offers.
- (c) The accidental omission to despatch this Composite Document and/or Form(s) of Acceptance or any of them to any person to whom the Offers are made will not invalidate the Offers in any way.
- (d) The Offers are, and all acceptances will be, governed by and construed in accordance with the laws of Hong Kong.
- (e) Due execution of the Form(s) of Acceptance will constitute an authority to the Offeror, Sorrento Capital, Sorrento Securities and/or such person or persons as the Offeror may direct to complete, amend and execute any document on behalf of the person or persons accepting the Offers and to do any other act that may be necessary or expedient for the purposes of vesting in the Offeror, or such person or persons as they may direct, the Shares or the Options in respect of which such person or persons has/have accepted the Offers.
- (f) Acceptance of the Offers by any person or persons will be deemed to constitute a representation and warranty by such person or persons to the Offeror and Sorrento Securities that the Offer Shares are sold or the Options are tendered (as the case may be) 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 Offers are made, being the date of despatch of this Composite Document. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above representation and warranty.
- (g) Acceptance of the Offers by any nominee will be deemed to constitute a warranty by such nominee to the Offeror that the number of Shares or Options in respect of which as indicated in the Form(s) of Acceptance is the aggregate number of Shares or Options held by such nominee for such beneficial owner who is accepting the Offers.
- (h) Any Independent Shareholders or Optionholders accepting the Share Offer and/or the Option Offer, respectively, will be responsible for payment of any other transfer or cancellation or other taxes or duties payable in respect of the relevant jurisdiction due by such persons.
- (i) Unless otherwise expressly stated in this Composite Document and/or the Form(s) of Acceptance, no person other than the Offeror and the accepting Independent Shareholders and Optionholders may enforce any terms of the Offers that will arise out of complete and valid acceptances under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong).

- (j) Reference to the Offers in this Composite Document and in the Form(s) of Acceptance shall include any extension and/or revision thereof.
- (k) All acceptance, instructions, authorities and undertakings given by the Independent Shareholders in the Form(s) of Acceptance shall be irrevocable except as permitted under the Takeovers Code.
- (l) The English text of this Composite Document and the Form(s) of Acceptance shall prevail over their respective Chinese text for the purpose of interpretation in case of inconsistency.
- (m) In making their decisions, the Independent Shareholders and the Optionholders must rely on their own examination of the Offeror, the Group and the terms of the Offers, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained herein together with the Forms of Acceptance, shall not be construed as any legal or business advice on the part of the Offeror and parties acting in concert with it, the Company, Sorrento Capital, Sorrento Securities, Ample Capital and the Registrar or any of their respective ultimate beneficial owners, directors, officers, agents or associates or any other persons involved in the Offers. The Independent Shareholders and the Optionholders should consult their own professional advisers for professional advice.
- (n) The Offers are made in accordance with the Takeovers Code.

1. FINANCIAL SUMMARY OF THE GROUP

Set out below is a summary of the audited consolidated financial information of the Group for each of the years ended 31 March 2021, 31 March 2022 and 31 March 2023 (as extracted from the Company's annual reports for the years ended 31 March 2021, 31 March 2022 and 31 March 2023) and the unaudited consolidated financial information of the Group for each of the three months ended 30 June 2022 and 30 June 2023 (as extracted from the Company's first quarterly reports for the three months ended 30 June 2022 and 30 June 2023):

Summary of the Consolidated Statement of Profit or Loss and Other Comprehensive Income

	For the three months ended 30 June		For the year ended 31 March		
	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2021 HK\$'000 (audited)	2022 HK\$'000 (audited)	2023 HK\$'000 (audited)
Revenue	7,295	6,833	42,707	36,206	29,744
Cost of inventories sold	(1,528)	(1,718)	(8,859)	(7,897)	(8,974)
Gross profit	5,767	5,115	33,848	28,309	20,770
Other income and other gain or loss, net	1,005	88	13,223	7,805	2,267
Staff costs	(4,266)	(4,188)	(20,478)	(18,687)	(18,790)
Depreciation	(1,104)	(963)	(4,742)	(4,042)	(6,728)
Property rentals and related expenses	(236)	(955)	(1,849)	(1,366)	(1,290)
Fuel and utility expenses	(378)	(595)	(1,708)	(1,682)	(1,720)
Impairment loss recognised in respect of property, plant and equipment	—	—	(2,520)	(2,169)	(799)
Impairment loss recognised in respect of right-of-use assets	—	—	(990)	(1,043)	(1,779)
Impairment loss recognised in respect of intangible assets	—	—	(22)	(464)	(407)
Impairment loss recognised in respect of prepayment	—	—	(1,629)	—	—
Allowance for expected credit losses in respect of other receivables	—	—	(1,300)	—	—
(Allowance for)/reversal of expected credit losses in respect of loan receivables	—	—	—	(73)	4
Selling expenses	(923)	(156)	(5,438)	(2,888)	(2,453)
Administrative and operating expenses	(2,167)	(2,913)	(10,613)	(12,914)	(10,383)

	For the three months ended 30 June		For the year ended 31 March		
	2022 <i>HK\$'000</i> (unaudited)	2023 <i>HK\$'000</i> (unaudited)	2021 <i>HK\$'000</i> (audited)	2022 <i>HK\$'000</i> (audited)	2023 <i>HK\$'000</i> (audited)
Loss from operations	(2,302)	(4,567)	(4,218)	(9,214)	(21,308)
Share of results of associates	—	—	(8)	(84)	—
Finance costs	(181)	(253)	(935)	(840)	(973)
Loss before tax	(2,483)	(4,820)	(5,161)	(10,138)	(22,281)
Income tax (expense)/credit	(219)	(14)	1,686	(40)	(29)
Loss and total comprehensive expense for the year/period	<u>(2,702)</u>	<u>(4,834)</u>	<u>(3,475)</u>	<u>(10,178)</u>	<u>(22,310)</u>
Loss and total comprehensive expense for the year/period attributable to:					
Owners of the Company	(2,679)	(4,731)	(4,098)	(10,178)	(22,002)
Non-controlling interests	(23)	(103)	623	—	(308)
	<u>(2,702)</u>	<u>(4,834)</u>	<u>(3,475)</u>	<u>(10,178)</u>	<u>(22,310)</u>
Loss per share					
Basic and diluted loss per share (<i>HK cents</i>)	<u>(0.10)</u>	<u>(0.18)</u>	<u>(0.16)</u>	<u>(0.39)</u>	<u>(0.83)</u>

Save as disclosed above, there was no item of any income or expense which was material in respect of the consolidated financial information of the Group for the years ended 31 March 2021, 31 March 2022 and 31 March 2023 and the three months ended 30 June 2022 and 30 June 2023.

There was no dividend declared during each of the years ended 31 March 2021, 31 March 2022 and 31 March 2023 nor any interim dividend declared for the three months ended 30 June 2022 and 30 June 2023.

The auditor's reports issued by HLB Hodgson Impey Cheng Limited in respect of the Group's audited consolidated financial statements for each of the years ended 31 March 2021, 31 March 2022 and 31 March 2023 did not contain any modified opinion, emphasis of matter or material uncertainty related to going concern.

2. CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP

The Company is required to set out or refer to in this Composite Document the consolidated statement of financial position, consolidated statement of cash flows and any other primary statement as shown in the last published audited accounts, together with the notes to the relevant published consolidated financial statements which are of major relevance to the appreciation of the above consolidated financial information.

The audited consolidated financial statements of the Group for the year ended 31 March 2021 (the “**2021 Financial Statements**”), containing the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements (including significant accounting policies), are set out on pages 69 to 141 of the annual report of the Company for the year ended 31 March 2021 (the “**2021 Annual Report**”), which was published on 25 June 2021. The 2021 Annual Report is posted on the websites of the Company (www.hkrcg.com) and the Stock Exchange (www.hkexnews.hk). Please also see below a direct link to the 2021 Annual Report:

www1.hkexnews.hk/listedco/listconews/gem/2021/0625/2021062500095.pdf

The audited consolidated financial statements of the Group for the year ended 31 March 2022 (the “**2022 Financial Statements**”), containing the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements (including significant accounting policies), are set out on pages 51 to 121 of the annual report of the Company for the year ended 31 March 2022 (the “**2022 Annual Report**”), which was published on 24 June 2022. The 2022 Annual Report is posted on the websites of the Company (www.hkrcg.com) and the Stock Exchange (www.hkexnews.hk). Please also see below a direct link to the 2022 Annual Report:

www1.hkexnews.hk/listedco/listconews/gem/2022/0624/2022062401624.pdf

The audited consolidated financial statements of the Group for the year ended 31 March 2023 (the “**2023 Financial Statements**”), containing the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements (including significant accounting policies), are set out on pages 59 to 131 of the annual report of the Company for the year ended 31 March 2023 (the “**2023 Annual Report**”), which was published on 27 June 2023. The 2023 Annual Report is posted on the websites of the Company (www.hkrcg.com) and the Stock Exchange (www.hkexnews.hk). Please also see below a direct link to the 2023 Annual Report:

www1.hkexnews.hk/listedco/listconews/gem/2023/0627/2023062701660.pdf

The unaudited consolidated first quarterly financial statements of the Group for the three months ended 30 June 2022 (the “**2022 First Quarterly Financial Statements**”), containing the unaudited condensed consolidated statement of profit or loss and other comprehensive income, unaudited condensed consolidated statement of changes in equity and notes to the unaudited condensed consolidated financial statements, are set out on pages 3 to 9 of the first quarterly report of the Company for the three months ended 30 June 2022 (the “**2022 First Quarterly Report**”), which was published on 11 August 2022. The 2022 First Quarterly Report is posted on the websites of the Company (www.hkrcg.com) and the Stock Exchange (www.hkexnews.hk). Please also see below a direct link to the 2022 First Quarterly Report:

www1.hkexnews.hk/listedco/listconews/gem/2022/0811/2022081101324.pdf

The unaudited consolidated first quarterly financial statements of the Group for the three months ended 30 June 2023 (the “**2023 First Quarterly Financial Statements**”), containing the unaudited condensed consolidated statement of profit or loss and other comprehensive income, unaudited condensed consolidated statement of changes in equity and notes to the unaudited condensed consolidated financial statements, are set out on pages 3 to 8 of the first quarterly report of the Company for the three months ended 30 June 2023 (the “**2023 First Quarterly Report**”), which was published on 8 August 2023. The 2023 First Quarterly Report is posted on the websites of the Company (www.hkrcg.com) and the Stock Exchange (www.hkexnews.hk). Please also see below a direct link to the 2023 First Quarterly Report:

www1.hkexnews.hk/listedco/listconews/gem/2023/0808/2023080801101.pdf

The 2021 Financial Statements, the 2022 Financial Statements, the 2023 Financial Statements, the 2022 First Quarterly Financial Statements and the 2023 First Quarterly Financial Statements (but not any other part of the 2021 Annual Report, the 2022 Annual Report, the 2023 Annual Report, the 2022 First Quarterly Report and the 2023 First Quarterly Report in which they respectively appear) are incorporated by reference into this Composite Document and form part of this Composite Document.

3. INDEBTEDNESS STATEMENT

At the close of business on 30 September 2023, being the latest practicable date for the purpose of preparing this statement of indebtedness prior to the printing of this Composite Document, the indebtedness of the Group was as follows:

Borrowings

As at 30 September 2023, the Group had bank borrowings and lease liabilities totaling approximately HK\$16.5 million, comprising:

- (a) bank borrowings, which were unsecured and were guaranteed by Mr. Wong Man Wai, of approximately HK\$9.1 million; and
- (b) lease liabilities of approximately HK\$7.4 million.

Commitments

As at 30 September 2023, the Group had no significant commitments.

Contingent liabilities

As at 30 September 2023, the Group had no material contingent liabilities.

Save as aforesaid or otherwise disclose therein, and apart from intra-group liabilities and normal accounts payable, the Group did not have any outstanding bank overdrafts, loans, debt securities, borrowings or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, other recognised lease liabilities or lease commitments (whether are either guaranteed, unguaranteed, secured or unsecured), guarantees or other material contingent liabilities at the close of business on 30 September 2023.

To the best knowledge of the Directors, having made all reasonable enquiries, the Directors confirm there have been no material changes in indebtedness or contingent liabilities of the Group since 30 September 2023 and up to and including the Latest Practicable Date.

4. MATERIAL CHANGE

The Directors confirm that there had been no material change in the financial or trading position or outlook of the Group since 31 March 2023, being the date to which the latest published audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date.

1. RESPONSIBILITY STATEMENT

This Composite Document includes particulars in compliance with the Takeovers Code and the GEM Listing Rules and for the purpose of giving information with regard to the Company, the Offeror and the Offers.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than any information relating to the Offeror and its concert parties) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Composite Document (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 Composite Document, the omission of which would make any statements in this Composite Document misleading.

2. SHARE CAPITAL OF THE COMPANY

As at the Latest Practicable Date, the authorised and issued share capital of the Company were as follows:

<i>Authorised</i>		<i>HK\$</i>
<u>20,000,000,000</u>	Shares with par value of HK\$0.01 each	<u>200,000,000</u>
<i>Issued and fully paid up</i>		
<u>2,643,360,000</u>	Shares with par value of HK\$0.01 each	<u>26,433,600</u>

All Shares in issue rank *pari passu* in all respects with each other including rights to dividends, voting and return of capital. The Company has not issued any Shares since 31 March 2023, the date to which the latest audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date.

As at the Latest Practicable Date, the Company also had 60,000,000 outstanding Options with an exercise price of HK\$0.163 each, which are exercisable within 10 years from 5 October 2016 and entitling the Optionholders thereof to subscribe for an aggregate of 60,000,000 new Shares. Save for the aforementioned issued Shares and outstanding Options, the Company had no other outstanding shares, options, derivatives, warrants or securities which are convertible or exchangeable into Shares and had not entered into any agreement for the issue of such shares, options, derivatives, warrants or securities of the Company as at the Latest Practicable Date.

The Shares are listed and traded on GEM of the Stock Exchange. No part of the Shares is listed or dealt in, nor is any listing of or permission to deal in the Shares being or proposed to be sought on any other stock exchange.

3. MARKET PRICES

Please refer to the paragraph headed “5. Market Prices” in Appendix IV to this Composite Document for details of the closing prices of the Shares quoted on the Stock Exchange on (a) the last day on which trading took place in each of the calendar months during the Relevant Period; (b) the Last Trading Day; and (c) the Latest Practicable Date.

4. DISCLOSURE OF INTERESTS

(a) Directors

As at the Latest Practicable Date, the interests or short positions of the Directors in the Shares, underlying Shares or debentures of the Company or the associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were deemed or taken to have under the provisions of the SFO); (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; (c) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors to be notified to the Company and the Stock Exchange; or (d) to be disclosed in this Composite Document pursuant to the Takeovers Code were as follows:

Long positions in the underlying shares

Name of Director	Capacity and nature	Number of Shares/ underlying Shares held	Approximate percentage of issued share capital
Mr. Chan Chak To Raymond	Beneficial owner	20,000,000	0.76%
Ms. Lam Wai Kwan	Beneficial owner	20,000,000	0.76%

On 5 October 2016, each of Mr. Chan Chak To Raymond and Ms. Lam Wai Kwan was granted 20,000,000 Options exercisable within 10 years from 5 October 2016 to subscribe for Shares at the exercise price of HK\$0.163 per Share pursuant to the Share Option Scheme.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors had any interests or short positions in the Shares, underlying Shares or debentures of the Company or the associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were deemed or taken to have under the provisions of the

SFO); (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; (c) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors to be notified to the Company and the Stock Exchange; or (d) to be disclosed in this Composite Document pursuant to the Takeovers Code.

(b) Substantial shareholders

As at the Latest Practicable Date, the substantial shareholders (not being the Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO, were as follows:

Name of substantial shareholder	Capacity and nature	Number of Shares/ underlying Shares held	Approximate percentage of issued share capital
Sky Shield Investment Limited (i.e. the Offeror) (<i>Note 1</i>)	Beneficial owner	1,729,440,000	65.42%
Mr. Zhou Feng (<i>Note 1</i>)	Beneficial owner Interest of controlled corporation	148,980,000 1,729,440,000	5.64% 65.42%
Ms. Zhang Miao (<i>Note 2</i>)	Interest of spouse	1,878,420,000	71.06%
Ms. Kong Yuen Man	Beneficial owner	250,000,000	9.46%

Notes:

1. Mr. Zhou Feng is the sole, legal and beneficial owner of the Offeror. As such, Mr. Zhou Feng is deemed to be interested in the 1,729,440,000 Shares held by the Offeror by virtue of the SFO. In addition, Mr. Zhou Feng is interested in 148,980,000 Shares in his own name.
2. Ms. Zhang Miao is the spouse of Mr. Zhou Feng. She is deemed to be interested in all the Shares in which Mr. Zhou Feng is interested under the SFO.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

(c) Interest in the Offeror

As at the Latest Practicable Date, none of the Company, any of its subsidiaries or any of the Directors had any interest in the shares of the Offeror or convertible securities, warrants, options or derivatives in respect of the shares of the Offeror.

(d) Additional disclosure of interests in the Company and arrangement in connection with the Offers

During the Relevant Period and up to and including the Latest Practicable Date,

- (i) there was no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeover Code) between (a) any Shareholder on the one hand; and (b) the Company, its subsidiaries or associated companies on the other hand;
- (ii) save for the 20,000,000 Options and 20,000,000 Options held by Mr. Chan Chak To Raymond and Ms. Lam Wai Kwan (both being an executive Director), respectively, none of the Directors had any interest in the Shares, derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into the Shares; and
- (iii) neither the Company nor the Directors had borrowed or lent, save for any borrowed Shares which have been either on-lent or sold, any shareholding in the Company.

Mr. Chan Chak To Raymond, being an executive Director, who held 20,000,000 Options as at the Latest Practicable Date, intended to accept the Option Offer.

Ms. Lam Wai Kwan, being an executive Director, who held 20,000,000 Options as at the Latest Practicable Date, intended to accept the Option Offer.

5. DEALINGS IN SHARES

During the Relevant Period and up to and including the Latest Practicable Date,

- (a) save for:
 - (i) the disposal of 1,250,000,000 Sale Shares, representing approximately 47.29% of the total issued share capital of the Company, at HK\$0.032 per Sale Share pursuant to Sale and Purchase Agreement 1 by Fortune Round, which is a company wholly, legally and beneficially owned by Mr. Wong Man Wai to the Offeror;

- (ii) the disposal of 162,120,000 Sale Shares, representing approximately 6.13% of the total issued share capital of the Company, at HK\$0.032 per Sale Share pursuant to Sale and Purchase Agreement 1 by Mr. Wong Man Wai to the Offeror; and
- (iii) the disposal of 250,000,000 Sale Shares, representing approximately 9.46% of the total issued share capital of the Company, at HK\$0.032 per Sale Share pursuant to Sale and Purchase Agreement 2 by Fortune Round, which is a company wholly, legally and beneficially owned by Mr. Wong Man Wai to Ms. Kong;

none of the Directors had dealt for value in any Shares, convertible securities, warrants, options, or derivatives in respect of any Shares;

- (b) none of the subsidiaries of the Company, pension funds of the Company or of any of its subsidiaries, or any person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of acting in concert or who is an associate of the Company by virtue of class (2) of the definition of associate under the Takeovers Code but excluding exempt principal traders and exempt fund managers had owned, controlled or dealt for value in the Shares and other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company;
- (c) no person had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of acting in concert or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of associate, and hence no such person had owned, controlled or dealt for value in the Shares and other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company; and
- (d) no fund managers (other than exempt fund managers) connected with the Company who managed funds on a discretionary basis had owned, controlled or dealt for value in the Shares and other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

6. DEALINGS IN SHARES OF THE OFFEROR

During the Relevant Period, none of the Company, any of its subsidiaries or any of the Directors had dealt for value in any shares of the Offeror or any other convertible securities, warrants, options or derivatives or any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in respect of any shares of the Offeror.

As at the Latest Practicable Date, none of the Company, any of its subsidiaries or any of the Directors held any shares of the Offeror or any other convertible securities, warrants, options or derivatives or any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in respect of any shares of the Offeror.

7. ARRANGEMENTS AFFECTING DIRECTORS

As at the Latest Practicable Date,

- (a) no arrangement was in place for any benefit (other than statutory compensation) to be given to any Directors as compensation for loss of office or otherwise in connection with the Offers;
- (b) there was no agreement or arrangement between any Directors and any other person which was conditional on or dependent upon the outcome of the Offers or is otherwise connected with the Offers; and
- (c) there was no material contract entered into by the Offeror in which any Director had a material personal interest.

8. SERVICE CONTRACTS

As at the Latest Practicable Date, the Company had entered into the following service agreements and letters of appointment with the Directors:

Name	Position	Term	Commencement date	End date	Amount of remuneration per annum (HK\$)	Variable remuneration
Mr. Wong Man Wai	Executive Director	3 years	8 August 2022	7 August 2025	3,000,000	Nil
Mr. Chan Chak To Raymond	Executive Director	3 years	8 August 2022	7 August 2025	960,000	Nil
Ms. Lam Wai Kwan	Executive Director	3 years	8 August 2022	7 August 2025	630,000	Nil
Mr. Ma Yiu Ho Peter	Independent non-executive Director	3 years	8 August 2022	7 August 2025	150,000	Nil
Mr. Cai Chun Fai	Independent non-executive Director	3 years	8 August 2022	7 August 2025	150,000	Nil

Save as disclosed above, there are no service contracts between any Directors and the Company or any of its subsidiaries or associated companies (i) which (including both continuous and fixed term contracts) have been entered into or amended within 6 months before the Offer Period; (ii) which are continuous contracts with a notice period of 12 months or more; or (iii) which are fixed term contracts with more than 12 months to run irrespective of the notice period.

9. MATERIAL LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and, no litigation or claims of material importance is pending or threatened by or against the Company and any of its subsidiaries.

10. MATERIAL CONTRACTS

There were no contracts (not being the contracts entered into in the ordinary course of business carried on or intended to be carried on by the Company or any of its subsidiaries) entered into by the Company or any of its subsidiaries within two years before the commencement of the Offer Period (i.e. 9 October 2023) up to and including the Latest Practicable Date, which are or may be material.

11. QUALIFICATION AND CONSENT OF EXPERT

The following is the name and qualification of the expert who has given opinion or advice which is contained in this Composite Document:

Name	Qualification
Ample Capital Limited	a corporation licensed by the SFC to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee, the Independent Shareholders and the Optionholders in connection with the Offers

Ample Capital Limited has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion of the text of its letter, advice, recommendation and/or references to its name, logo and/or its qualification in the form and context in which they respectively appear herein.

12. DOCUMENTS ON DISPLAY

Copies of the following documents will be available for inspection (i) on the website of the SFC (www.sfc.hk); and (ii) on the website of the Company (www.hkrcg.com) during the period from the date of this Composite Document up to and including the Closing Date:

- (a) the amended and restated memorandum and articles of association of the Company;
- (b) the annual reports of the Company for each of the years ended 31 March 2021, 31 March 2022 and 31 March 2023, and the first quarterly reports of the Company for each of the three months ended 30 June 2022 and 30 June 2023;
- (c) the “Letter from the Board”, the text of which is set out on pages 24 to 31 of this Composite Document;
- (d) the “Letter from the Independent Board Committee”, the text of which is set out on pages 32 to 33 of this Composite Document;
- (e) the “Letter from the Independent Financial Adviser”, the text of which is set out on pages 34 to 54 of this Composite Document;
- (f) the service agreements and letters of appointment with the Directors referred to in the paragraph headed “8. Service Contracts” in this appendix;
- (g) the written consent referred to in the paragraph headed “11. Qualification and Consent of Expert” in this appendix; and
- (h) this Composite Document and the accompanying Forms of Acceptance.

13. MISCELLANEOUS

- (a) The registered office of the Company is situated at Third Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY1-1103, Cayman Islands.
- (b) The principal place of business of the Company in Hong Kong is situated at Unit 603, 6/F, Block A, Hong Kong Industrial Centre, 489-491 Castle Peak Road, Kowloon, Hong Kong.
- (c) The company secretary of the Company is Mr. Ng Shing Kin who is a member of the Hong Kong Institute of Certified Public Accountants.
- (d) The Company’s principal share registrar and transfer office is Tricor Services (Cayman Islands) Limited, situated at Third Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY1-1103, Cayman Islands.

- (e) The branch share registrar of the Company in Hong Kong is Tricor Investor Services Limited, situated at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (f) The registered office of Ample Capital Limited is situated at 14A, Two Chinachem Plaza, 135 Des Voeux Road Central, Central, Hong Kong.
- (g) The English text of this Composite Document and the accompanying Forms of Acceptance shall prevail over their respective Chinese text for the purpose of interpretation.

1. RESPONSIBILITY STATEMENT

This Composite Document includes particulars given in compliance with the Takeovers Code for the purpose of giving information with regard to the Offers, the Offeror and the Group.

The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this Composite Document (other than the information relating to the Group and the Selling Shareholders) and confirms, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in this Composite Document (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 Composite Document, the omission of which would make any statement in this Composite Document misleading.

2. DISCLOSURE OF INTERESTS IN SHARES

As at the Latest Practicable Date, details of interests in the Shares, underlying Shares, debentures or other relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company owned or controlled by the Offeror, its ultimate beneficial owner, parties acting in concert with any of them and the sole director of the Offeror were as follows:

Name of Shareholder	Capacity	Number of Shares	Approximate percentage of interest in the Company's share capital
Sky Shield Investment Limited (i.e. the Offeror)	Beneficial owner	1,729,440,000	65.42%
Mr. Zhou Feng	Beneficial owner	148,980,000	5.64%
	Interest of controlled corporation (<i>Note 1</i>)	1,729,440,000	65.42%
Ms. Kong Yuen Man (<i>Note 2</i>)	Beneficial owner	250,000,000	9.46%
Total		<u>2,128,420,000</u>	<u>80.52%</u>

Notes:

- The Offeror is legally, beneficially and wholly owned by Mr. Zhou, who is deemed to be interested in the 1,729,440,000 Shares held by the Offeror under the SFO. Mr. Zhou is the sole director of the Offeror.

2. Ms. Kong is an Independent Third Party. As (i) Ms. Kong is not a director, chief executive or substantial shareholder of the Company or any of its subsidiaries or a close associate of any of them; (ii) the acquisition of the Shares by Ms. Kong has not been financed directly or indirectly by a person referred to in (i) above; and (iii) Ms. Kong is not accustomed to taking instructions from a person referred to in (i) above in relation to the acquisition, disposal, voting or other disposition of the Shares registered in her name or otherwise held by her, the 250,000,000 Shares held by Ms. Kong are regarded as Shares held by public Shareholders. Ms. Kong is a party acting in concert with the Offeror.

Save as disclosed above, as at the Latest Practicable Date, none of the Offeror, its ultimate beneficial owner, parties acting in concert with any of them and the sole director of the Offeror owned, controlled, or had any other interest in the relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company.

3. DEALING AND INTERESTS IN THE COMPANY'S SECURITIES AND OTHER ARRANGEMENTS

Save for the following transactions, none of the Offeror, the ultimate beneficial owner of the Offeror (i.e. Mr. Zhou) nor the parties acting in concert with any of them (including Ms. Kong) had dealt for value in nor owned any Shares, Options, derivatives, warrants or other securities convertible into Shares during the Relevant Period:

- (i) the acquisition of an aggregate of 148,980,000 Shares by Mr. Zhou in open market during the period from 10 August 2023 to 14 August 2023 with highest price paid being HK\$0.032 per Share, comprising:

Date of acquisition	Number of Shares acquired	Purchase price per Share
10 August 2023	36,980,000	HK\$0.024
10 August 2023	35,480,000	HK\$0.025
10 August 2023	4,500,000	HK\$0.026
14 August 2023	70,420,000	HK\$0.027
14 August 2023	100,000	HK\$0.031
14 August 2023	1,500,000	HK\$0.032

- (ii) the acquisition of the 1,729,440,000 Sale Shares by the Offeror at HK\$0.032 per Sale Share under Sale and Purchase Agreement 1; and
- (iii) the acquisition of the 250,000,000 Sale Shares by Ms. Kong at HK\$0.032 per Sale Share under Sale and Purchase Agreement 2.

As at the Latest Practicable Date:

- (i) save for the Sale Shares acquired by the Offeror and Ms. Kong, and the 148,980,000 Shares held by Mr. Zhou, none of the Offeror, its ultimate beneficial owner and/or parties acting in concert with any of them and the sole director of the Offeror held, owned or had control or direction over any voting rights or rights over the Shares or convertible securities, Options, warrants or derivatives in respect of such securities of the Company;
- (ii) there was no outstanding derivative in respect of the securities in the Company which was owned, controlled or directed by, or had been entered into by the Offeror, its ultimate beneficial owner and/or any person acting in concert with any of them;
- (iii) save for the Sale and Purchase Agreements, none of the Offeror, its ultimate beneficial owner and/or any person acting in concert with any of them had any arrangement (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with any person in relation to the shares of the Offeror or the Shares;
- (iv) save for the Sale and Purchase Agreements, there was no arrangement (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code which existed between the Offeror, its ultimate beneficial owner and/or any person acting in concert with any of them and/or any other associate of the Offeror and any other person;
- (v) save for the Sale and Purchase Agreements, there was no agreement or arrangement to which the Offeror was a party which relates to the circumstances in which it may or may not invoke or seek to invoke a precondition or a condition to the Offers;
- (vi) none of the Offeror, its ultimate beneficial owner and/or parties acting in concert with any of them had received any irrevocable commitment(s) to accept or reject the Offers;
- (vii) none of the Offeror, its ultimate beneficial owner and/or parties acting in concert with any of them had borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (viii) there was no agreement, arrangement or understanding that any securities acquired in pursuance of the Offers would be transferred, charged or pledged to any other persons;

- (ix) save for the Sale and Purchase Agreements, there was no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Offeror, its ultimate beneficial owner and/or parties acting in concert with any of them on the one hand, and the Selling Shareholders and/or parties acting in concert with any one of them on the other hand;
- (x) save for the Sale and Purchase Agreements, there was no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeover Code) between any Shareholder on one hand, and the Offeror, its ultimate beneficial owner and/or any party acting in concert with any of them on the other hand;
- (xi) save for the Consideration paid by (i) the Offeror to the Selling Shareholders under Sale and Purchase Agreement 1; and (ii) Ms. Kong to Fortune Round under Sale and Purchase Agreement 2, there was no other consideration, compensation or benefit in whatever form paid or to be paid by the Offeror, its ultimate beneficial owner or any parties acting in concert with any of them to the Selling Shareholders or any party acting in concert with any one of them in connection with the sale and purchase of the Sale Shares;
- (xii) save for the Sale and Purchase Agreements, there was no agreement, arrangement or understanding (including any compensation arrangement) between the Offeror, its ultimate beneficial owner or any person acting in concert with any of them and any of the Directors, recent directors of the Company, Shareholders or recent shareholders of the Company having any connection with or dependence upon the Offers;
- (xiii) no benefit (other than statutory compensation) was or would be given to any Director as compensation for loss of office or otherwise in connection with the Offers;
- (xiv) no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company was managed on a discretionary basis by any fund managers or principal traders connected with the Offeror or any person acting in concert with it, and no such person had dealt in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the Relevant Period; and
- (xv) there were no conditions to which the Offers are subject to.

4. QUALIFICATIONS AND CONSENTS OF EXPERTS

The following are the qualifications of the experts who have given their opinion and advice which are contained in this Composite Document:

Name	Qualification
Sorrento Capital Limited	a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO
Sorrento Securities Limited	a corporation licensed to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO

Each of the above experts has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion of the text of its letter, advice and/or references to its name, in the form and context in which they appear herein.

5. MARKET PRICES

The table below shows the closing prices of the Shares quoted on the Stock Exchange on (a) the last day on which trading took place in each of the calendar months during the Relevant Period; (b) the Last Trading Day; and (c) the Latest Practicable Date:

Date	Closing price per Share (HK\$)
28 April 2023	0.019
31 May 2023	0.014
30 June 2023	0.014
31 July 2023	0.024
31 August 2023	0.081
29 September 2023 (Last Trading Day)	0.177
27 October 2023 (Latest Practicable Date)	0.183

During the Relevant Period:

- a. the highest closing price of the Shares quoted on the Stock Exchange was HK\$0.196 per Share on 28 September 2023; and
- b. the lowest closing price of the Shares quoted on the Stock Exchange was HK\$0.013 per Share on 7 June 2023.

6. MISCELLANEOUS

- a. The registered office of the Offeror is Coastal Building, Wickham's Cay II, P.O. Box 2221, Road Town, Tortola, VG1110, British Virgin Islands.
- b. The correspondence address of the Offeror and Mr. Zhou, being the sole ultimate beneficial owner of the Offeror, the sole director of the Offeror and a principal member of the Offeror's concert group, is Room 502, Tai Tung Building, 8 Fleming Road, Wan Chai, Hong Kong.
- c. The correspondence address of Ms. Kong, being a principal member of the Offeror's concert group, is Room 502, Tai Tung Building, 8 Fleming Road, Wan Chai, Hong Kong.
- d. The main business address of Sorrento Capital is Room 1208, 12/F, Wing On Centre, 111 Connaught Road Central, Sheung Wan, Hong Kong.
- e. The main business address of Sorrento Securities is Room 1208, 12/F, Wing On Centre, 111 Connaught Road Central, Sheung Wan, Hong Kong.
- f. The Offeror is a company incorporated in the British Virgin Islands with limited liability on 11 July 2023.
- g. In case of inconsistency, the English text of this Composite Document and the Forms of Acceptance shall prevail over their respective Chinese texts.

7. DOCUMENTS ON DISPLAY

Copies of the following documents are available for inspection on the websites of the SFC (www.sfc.hk) and the Company (www.hkrcg.com) from the date of this Composite Document up to and including the Closing Date:

- a. the memorandum of association and articles of association of the Offeror;
- b. the "Letter from Sorrento Securities", the text of which is set out on pages 11 to 23 of this Composite Document;
- c. the written consents as referred to in the section headed "4. Qualifications and Consents of Experts" in this Appendix IV; and
- d. the Sale and Purchase Agreements.