

4 February 2022

To the Independent Shareholders

Dear Sir/Madam,

**MANDATORY UNCONDITIONAL CASH OFFER
BY HOORAY SECURITIES LIMITED
ON BEHALF OF THE JOINT OFFERORS
TO ACQUIRE ALL THE ISSUED SHARES OF
HNA TECHNOLOGY INVESTMENTS HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED BY THE JOINT OFFERORS
AND PARTIES ACTING IN CONCERT WITH ANY OF THEM)**

1. INTRODUCTION

Reference is made to the Joint Announcement. On 12 January 2022 (before trading hours), the Joint Offerors and the Vendor entered into the SPA, pursuant to which the Vendor agreed to sell, and the Joint Offerors agreed to acquire the Sale Shares and the Shareholder's Loan at nominal consideration of HK\$1.00 (taking into account the PF Loan and the ZZ Loans). Prior to the Completion, the Target Company held 238,889,669 Shares, representing approximately 74.75% of the issued Shares as at the Latest Practicable Date.

Completion took place on 12 January 2022. Immediately after Completion and as at the Latest Practicable Date, the Target Company is held by Mars Development as to 60% and Megacore Development as to 40% and, as a result, the Joint Offerors collectively are the controlling Shareholders, indirectly holding in aggregate approximately 74.75% of the issued Shares. In accordance with Rule 26.1 of the Takeovers Code, upon Completion, the Joint Offerors are required to make a mandatory unconditional cash offer for the Offer Shares, being all the issued Shares other than those Shares already owned by the Joint Offerors and the Joint Offerors' Concert Parties. We, Hooray Securities, have been appointed by the Joint Offerors to make the Offer for and on behalf of the Joint Offerors.

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This letter forms part of this Composite Document and sets out, among other things, the details of the Offer, certain information on the Joint Offerors and the intention of the Joint Offerors regarding the Group. The terms of the Offer and the procedures of acceptances are set out in this letter, Appendix I to this Composite Document and the Form of Acceptance.

The Independent Shareholders are strongly advised to carefully consider the information contained in the “Letter from the Board”, the “Letter from the Independent Board Committee” and the “Letter from the Independent Financial Adviser” as set out in this Composite Document before reaching a decision as to whether or not to accept the Offer.

2. THE OFFER

Hooray Securities is making the Offer on behalf of the Joint Offerors in compliance with the Takeovers Code on the following basis:

Principal terms of the Offer

For each Offer Share HK\$0.84 in cash

The Offer Price of HK\$0.84 per Offer Share is approximately equal to but not lower than the effective acquisition price per effective acquisition Share paid by the Joint Offerors under the Transaction. The effective acquisition price of each Share under the Transaction is derived based on the following:

- (i) taking into account the aggregated consideration paid by and the Guarantees provided by the Joint Offerors Obligors for the purpose of the Transaction, which consists of (1) the ZZ Loan 1 of HK\$5,000,000; (2) the ZZ Loan 2 of HK\$20,000,000; (3) the aggregated financing for the Second Mandatory Prepayment and the Subsequent Mandatory Prepayment(s) in the amount of HK\$67,000,000; (4) the Guarantees to be assumed by the Joint Offerors Obligors for the principal amount of HK\$108,000,000 under the PF Loan (after the Second Mandatory Prepayment and Subsequent Mandatory Prepayment(s)); and (5) the consideration for the Sale Shares and the assignment of the Shareholder’s Loan of HK\$1.00 under the SPA, the effective acquisition price of the Target Company is HK\$200,000,001;
- (ii) save and except for the above, the Joint Offerors confirm that no other payment (including but not limited to any unpaid interest or penalty associated with the PF Loan accrued before the date of Completion) was requested or paid for the purpose of the Transaction;

- (iii) save for the 238,889,669 Shares, representing approximately 74.75% of the issued Shares as at the date of Completion and up to the Latest Practicable Date, and the bank balance in cash in the amount of approximately HK\$1.46 million based on the unaudited management account of the Target Company as at 31 December 2021, the Target Company does not hold any other significant assets; and
- (iv) pursuant to Note 8 to Rule 26.1 and Practice Note 19 to the Takeovers Code, a chain principle offer was triggered and based on the Pacpo Formula, the effective acquisition price of each Share under the Transaction (i.e. dividing HK\$200,000,001 by 238,889,669 Shares) is approximately HK\$0.8372.

In this regard, despite the transactions described hereinabove represent understandings, arrangements or special deals between the Vendor and parties acting in concert with it on the one hand, and the Joint Offerors and the Joint Offerors' Concert Parties on the other hand, such favorable conditions are effectively extended to all Shareholders in full amount under the Offer by way of adopting all the favorable conditions into the effective acquisition price of the Transaction.

Save and except of the above, there is no other understanding, arrangement or special deal between the Vendor and parties acting in concert with it on the one hand, and the Joint Offerors and the Joint Offerors' Concert Parties on the other hand, that represents a favourable condition that is not extended to all Shareholders, which would constitute a special deal under Rule 25 of the Takeovers Code and require the consent of the Executive.

The Offer is unconditional in all aspects and will not be conditional upon acceptances being received in respect of a minimum number of Shares or other conditions.

The Joint Offerors will acquire the Shares tendered for acceptance by the Shareholders in accordance with the Ownership Percentage and the terms of the Offer. Each of the Joint Offerors will pay for the Shares tendered under the Offer according to the Ownership Percentage.

As at the Latest Practicable Date, there are 319,564,892 Shares in issue and there are no outstanding options, warrants, derivatives or convertible/exchangeable securities which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into Shares.

The Offer Shares to be acquired under the Offer shall be fully paid and free from all encumbrances whatsoever 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 of the Composite Document.

Comparison of value

The Offer Price of HK\$0.84 per Offer Share represents:

- (i) a discount of approximately 3.45% to the closing price HK\$0.87 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 25.66% over the closing price of HK\$1.13 per Share as quoted on the Stock Exchange on 11 January 2022, being the Last Trading Day;
- (iii) a discount of approximately 24.32% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day of approximately HK\$1.11 per Share;
- (iv) a discount of approximately 20.00% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day of approximately HK\$1.05 per Share;
- (v) a discount of approximately 17.65% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the thirty (30) consecutive trading days up to and including the Last Trading Day of approximately HK\$1.02 per Share;
- (vi) a discount of approximately 14.29% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the sixty (60) consecutive trading days up to and including the Last Trading Day of approximately HK\$0.98 per Share;
- (vii) a premium of approximately 47.4% over the closing price of HK\$0.57 per Share as quoted on the Stock Exchange on 10 November 2020, being the last business day prior to the commencement of the Offer Period (i.e. 11 November 2020);
- (viii) a premium of approximately 162.50% to the audited consolidated net asset value per Share attributable to the Shareholders of approximately HK\$0.32 per Share as at 31 December 2020, calculated based on the Group's audited consolidated net assets attributable to the Shareholders of approximately HK\$101.32 million as at 31 December 2020 and 319,564,892 Shares in issue as at the Latest Practicable Date; and

- (ix) a premium of approximately 189.66% to the unaudited consolidated net asset value per Share attributable to the Shareholders of approximately HK\$0.29 as at 30 June 2021, calculated based on the Group's unaudited consolidated net assets attributable to the Shareholders of approximately HK\$91.97 million as at 30 June 2021 and 319,564,892 Shares in issue as at the Latest Practicable Date.

Highest and lowest Share Prices

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the period of six (6) months preceding 11 November 2020 (being the date of commencement of the Offer Period) and up to the Latest Practicable Date were HK\$1.27 per Share on 13 January 2022 and HK\$0.38 per Share on 18 June 2020 and 6 July 2020, respectively.

Total value of the Offer

As at the Latest Practicable Date, there are 319,564,892 Shares in issue and there are no outstanding options, warrants, derivatives or convertible/exchangeable securities which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into Shares.

On the basis of the Offer Price of HK\$0.84 per Offer Share, all the issued Shares would be valued at approximately HK\$268.43 million.

Excluding the 238,889,669 Shares, representing approximately 74.75% of the issued Shares, already owned or agreed to be acquired by the Joint Offerors and the Joint Offerors' Concert Parties and assuming there is no change in the share capital of the Company from the Latest Practicable Date to the close of the Offer, the Offer will be extended to 80,675,223 Offer Shares, representing approximately 25.25% of the issued Shares, and the value of the Offer will be approximately HK\$67,767,187.

Based on the Offer Price of HK\$0.84 per Offer Shares and total number of Offer Shares of 80,675,223, the maximum gross amount required to satisfy full acceptance of the Offer would be approximately HK\$67,767,187 (subject to rounding). As such, based on the prevailing rate of stamp duty of 0.13% and the customary brokerage commission rate chargeable by Hooray Securities, the maximum amount of stamp duty and brokerage commission payable by the Joint Offerors would be approximately HK\$88,097 (subject to rounding) and approximately HK\$169,418 (subject to rounding) respectively. As such, the maximum total amount required to satisfy full acceptance of the Offer including the stamp duty and brokerage commission payable would be approximately HK\$68,024,702 (subject to rounding).

Confirmation of financial resources available to the Joint Offerors

Based on the Offer Price of HK\$0.84 per Offer Share and 80,675,223 Offer Shares, the total maximum consideration of the Offer will be approximately HK\$67,767,187 (assuming the Offer is accepted in full and there is no change in the share capital of the Company from the Latest Practicable Date to the close of the Offer).

The Joint Offerors have maintained the Joint Offerors Securities Cash Account with Hooray Securities, with a balance of HK\$69,000,000 in cash (i.e. the MGO Funds) since 7 December 2021, for the sole purpose of satisfying the consideration, stamp duty and brokerage commission payable by the Joint Offerors in respect of acquiring the Offer Shares. The MGO Funds were advanced, or procured to be advanced, by the Joint Offerors in accordance with the Ownership Percentage, whereby (i) HK\$41,400,000 (representing 60% of the total MGO Funds) was provided by Mars Development through a shareholder's loan from Mars Enterprise and Mr. Mai; and (ii) HK\$27,600,000 (representing 40% of the total MGO Funds) was provided by Megacore Development through a shareholder's loan from Mr. Zhang personally, which was made available under the HT Loan of HK\$27,000,000 from Henter Finance to Mr. Zhang. As such, the amount standing in the Joint Offerors Securities Cash Account is sufficient to satisfy full acceptance of the Offer (including the stamp duty and brokerage commission payable) of approximately HK\$68,024,702 (subject to rounding).

There is no arrangement in relation to the HT Loan under which the payment of interest on, repayment of or security from any liability (contingent or otherwise) will depend, to any significant extent, on the business of the Company.

Pursuant to the Joint Offerors Share Charges, the Joint Offerors, as security for the PF Loan, charged its rights, title and interest in the Joint Offerors Securities Cash Account in favour of Premium Financial. On 12 January 2022, the Joint Offerors, Premium Financial and Hooray Securities entered into the Custodian Agreement in relation to the Joint Offerors Securities Cash Account. Pursuant to the terms of the Joint Offerors Share Charge and the Custodian Agreement, the Joint Offerors and Premium Financial, inter alia, irrevocably authorised Hooray Securities to transfer such amount of cash standing to the credit of the Joint Offerors Securities Cash Account to satisfy any consideration, stamp duty and brokerage commission in respect of acceptances of the Offer in accordance to the payment instructions provided by the Hong Kong branch share registrar of the Company, and such undertaking cannot be unilaterally or jointly rescinded by, inter alia, the Joint Offerors and/or Premium Financial. In addition, such floating charge could only be crystallised into a fixed charge after (i) the business day immediately after the latest day for posting of remittances in respect of valid acceptances received under the Offer; or (ii) the Offer Withdrawal Date, whichever is earlier. As such, despite there is a floating charge over the Joint Offerors Securities Cash Account, the money therein (namely the MGO Funds) is not subject to any restrictions in respect of the Offer.

Premium Financial is presumed to be acting in concert with the Joint Offerors under Class (9) of the definition of “acting in concert” under the Takeovers Code. Premium Financial has confirmed that neither Premium Financial nor the parties acting in concert with it (i) has dealt in the Shares during the period of six (6) months preceding 11 November 2020 (being the date of commencement of the Offer Period) and up to the Latest Practicable Date; or (ii) is a Shareholder as at the Latest Practicable Date.

Henter Finance is presumed to be acting in concert with the Joint Offerors under class (9) of the definition of “acting in concert” under the Takeovers Code, and it has confirmed that neither Henter Finance nor the parties acting in concert with it (i) has dealt in the Shares during the period of six (6) months preceding 11 November 2020 (being the date of commencement of the Offer Period) and up to the Latest Practicable Date; or (ii) is a Shareholder as at the Latest Practicable Date.

As such, Hooray Capital, the financial adviser to the Joint Offerors, is satisfied that sufficient financial resources are, and will continue to be, available to the Joint Offerors to satisfy the total maximum consideration payable upon full acceptance of the Offer.

Effect of accepting the Offer

Acceptance of the Offer by any Independent Shareholder will constitute a warranty by such person that all Offer Shares to be sold by such person under the Offer are fully paid and free from all encumbrances whatsoever 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 of the Composite Document.

The Company confirms that as at the Latest Practicable Date, (a) it has not declared any dividend, the record date of which falls on or after the date of this Composite Document; and (b) it does not have any intention to make, declare or pay any future dividend or make other distributions until after the close of the Offer. Furthermore, there was no dividend declared but unpaid as at the Latest Practicable Date.

Acceptance of the Offer will be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code. Please refer to paragraph 6 of Appendix I of this Composite Document for details.

Independent Shareholders are reminded to read the recommendation of the Independent Board Committee and the advice of the Independent Financial Adviser in respect of the Offer which will be included in the Composite Document.

Hong Kong’s stamp duty

Sellers’ Hong Kong ad valorem stamp duty on acceptances of the Offer at a rate of 0.13% of the consideration payable in respect of the relevant acceptances or, if higher, the

market value of the Shares subject to such acceptance, will be deducted from the amounts payable to the Independent Shareholders who accept the Offer.

The Joint Offerors will arrange for payment of sellers' ad valorem stamp duty on behalf of the Independent Shareholders who accept the Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Offer and the transfers of the relevant Offer Shares in accordance with the Stamp Duty Ordinance (Cap. 117 of the Laws of Hong Kong).

Payment

Payment in cash in respect of acceptances of the Offer will be made as soon as possible but in any event within seven (7) Business Days of the date on which the duly completed acceptances of the Offer and all relevant documents of title in respect of such acceptances are received by the Joint Offerors (or their agents acting on their behalf) to render each such acceptance complete and valid pursuant to the Takeovers Code.

3. SHAREHOLDING STRUCTURE OF THE COMPANY

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

	Immediately prior to Completion		Immediately after Completion and as at the Latest Practicable Date	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
Target Company	238,889,669 <i>(Note 1)</i>	74.75	238,889,669 <i>(Note 2)</i>	74.75
Public Shareholders	<u>80,675,223</u>	<u>25.25</u>	<u>80,675,223</u>	<u>25.25</u>
Total	<u><u>319,564,892</u></u>	<u><u>100.00</u></u>	<u><u>319,564,892</u></u>	<u><u>100.00</u></u>

Notes:

1. Immediately prior to Completion, the Target Company was wholly-owned by the Vendor, which in turn is held as to 100% by HNA EcoTech Group Co., Ltd. HNA EcoTech Group Co., Ltd. is held as to 59.8% by HNA Group Co. Limited. HNA Group Co. Limited is held as to 70% by Hainan Traffic Administration Holding Co., Ltd. Hainan Traffic Administration Holding Co., Ltd. is in turn held as to 50% by Sheng Tang Development (Yangpu) Co., Ltd. Sheng Tang Development (Yangpu) Co., Ltd. is held as to 65% by Hainan Province Cihang Foundation and as to 35% by Tang Dynasty Development Co. Ltd. Tang Dynasty Development Co. Limited is in turn 98% held by Pan-American Aviation Holding Company, which is wholly held by Cihang Sino-Western Cultural and Educational Exchange Foundation Limited. Under the SFO, the Vendor was deemed to be interested in the 238,889,669 Shares held by the Target Company.

2. Immediately after Completion, the Target Company is owned as to 60% and 40% by Mars Development and Megacore Development respectively. Mars Development is a direct wholly-owned subsidiary of Mars Enterprise, which in turn is wholly-owned by Mr. Mai. Megacore Development is a direct wholly-owned subsidiary of Megacore International, which in turn is a direct wholly-owned subsidiary of Zhong Zhao, which in turn is direct wholly-owned by Mr. Zhang. On 12 January 2022, Mr. Mai and Mr. Zhang entered into the Deed of Concert Parties to acknowledge and confirm their acting-in-concert relationship. Under the SFO, each of Mars Development, Megacore Development, Mars Enterprise, Megacore International, Zhong Zhao, Mr. Mai and Mr. Zhang is deemed to be interested in the 238,889,669 Shares held by the Target Company.

4. INFORMATION OF THE GROUP

Details of the information on the Group are set out in the paragraph headed “Information on the Group” in the “Letter from the Board” in this Composite Document.

5. INFORMATION ON THE JOINT OFFERORS

Mars Development

Mars Development is a limited liability company incorporated in the BVI and is an investment holding company. It is an investment vehicle of Mr. Mai incorporated for the purpose of acquiring interests in the Company through the SPA and the Offer, and has not engaged in any business activities since its incorporation on 2 June 2021. Mars Development is wholly owned by Mars Enterprise, a limited liability company incorporated in the BVI, principal business of which is investment holding. As at the Latest Practicable Date, save and except for its investment in Mars Development, Mars Enterprise has no other material business or investments. Mr. Mai is interested in 100% of the share capital of Mars Enterprise.

Mr. Mai, aged 54, is the sole director and the sole ultimate beneficial owner of Mars Development. He is the vice chairman of Guangdong Hongfa Investment Group Co., Limited (廣東鴻發投資集團有限公司), a limited liability company based in Guangdong province, the PRC with a registered paid in capital of RMB161,600,000. It is focusing in, inter alia, properties development, financial services, healthcare, education and public area construction in the PRC (www.hongfagroup.net). Guangdong Hongfa Investment Group Co., Limited (廣東鴻發投資集團有限公司) is beneficially owned as to 20% by Mr. Mai and 80% by members of his family. In addition, Mr. Mai has a 90% interests in 廣州市皇稼農業科技有限公司 (Guangzhou Huangjia Agricultural Science Company Limited*) which is focusing in agriculture science research and development, and balance of the ownership is owned by an independent third party.

Megacore Development

Megacore Development is a limited liability company incorporated in the BVI and is an investment holding company. It is an indirect wholly-owned subsidiary of Zhong Zhao. It is an investment vehicle of Mr. Zhang incorporated for the purpose of acquiring interests in the Company through the SPA and the Offer, and has not engaged in any business

activities since its incorporation on 22 January 2021. It is wholly owned by Megacore International, which is in turn wholly owned by Zhong Zhao. Mr. Zhang is interested in 100% of the issued share capital of Zhong Zhao. The principal business of each of Megacore International and Zhong Zhao is investment holding and they have no other material assets or investments save and except for described herein.

Mr. Zhang, aged 50, is the sole director and sole ultimate beneficial owner of Megacore Development. Mr. Zhang holds 90% interest in 廣東中兆實業集團有限公司 (Guangdong Zhong Zhao Industrial Group Company Limited*), a limited liability company based in Guangdong province, the PRC with a registered paid in capital of RMB50,000,000. It is focusing in, inter alia, property investments and investments in industrial businesses. In addition, Mr. Zhang has a 15% beneficial interests in 廣州宇泰行數據科技有限公司 (Guangzhou Yutaixing Data Technology Co., Ltd.*) which is focusing in corporate data management business in the PRC, and balance of ownership is owned by independent third party.

Each of Mr. Mai, Mr. Zhang, Mars Enterprise, Megacore International and Zhong Zhao is a party acting in concert with the Joint Offerors.

Following Completion, the Joint Offerors are in aggregate indirectly interested in 238,889,669 Shares (through their respective interest held in the Target Company), representing approximately 74.75% of the total issued Shares as at the Latest Practicable Date.

Save as disclosed above, the Joint Offerors and the Joint Offerors' Concert Parties do not hold any Shares or any other securities of the Company as at the Latest Practicable Date.

Save for (i) the Transaction between the Joint Offerors and the Vendor; and (ii) the provision of the ZZ Loan 1 by Zhong Zhao to the Target Company prior to the Transaction, there is or was no other present or past relationship (formal or informal, business or otherwise) between each of Mr. Mai and Mr. Zhang and the Company or its connected persons.

6. DEED OF CONCERT PARTIES

On 12 January 2022, Mr. Mai and Mr. Zhang entered into the Deed of Concert Parties for the purposes of regulating (i) the arrangement between them in respect of the Transaction; (ii) the conduct and implementation of the Offer; and (iii) the arrangement between them concerning the management of the Group upon completion of the Offer.

Pursuant to the Deed of Concert Parties, Mr. Mai and Mr. Zhang agreed to, and agreed to procure Mars Development and Megacore Development to, among others:

- (a) cast unanimous vote collectively for or against all board resolutions or shareholders' resolutions to be passed at any board meetings or shareholders' meeting of the Target Company and companies in the Group;

- (b) maintain and centralise ultimate control and management with respect to the companies in the Group by way of mutual cooperation;
- (c) acquire the Sale Shares and the Shareholder's Loan in accordance with the Ownership Percentage (i.e. 60% and 40% in respect of Mars Development and Megacore Development);
- (d) assume joint and several liabilities for the outstanding indebtedness of the PF Loan upon completion of the Transaction by providing such securities and guarantees as may be mutually agreed with Premium Financial, provided that Mr. Mai and Mr. Zhang shall apportion such liabilities among themselves pro rata to the Ownership Percentage;
- (e) deposit all the Shares to be acquired by the Joint Offerors under the Offer into securities cash accounts in the joint names of the Joint Offerors held with Hooray Securities, and charge, assign by way of security or otherwise deal with such Shares and the rights, title and interest in such securities cash accounts in favour of Premium Financial in accordance with the terms of the Third Supplemental Agreement or other relevant documents contained therein (i.e. executing the Joint Offerors Share Charges in favour of Premium Financial);
- (f) advance sufficient cash in immediately available funds in time in accordance with the Ownership Percentage for settlement of the consideration of the Offer; and
- (g) in the event that as a result of the Offer, the Company no longer complies with the minimum public float requirement under Rule 8.08 of the Listing Rules as imposed or modified by the Stock Exchange from time to time, each of Mr. Mai and Mr. Zhang undertakes to, and shall procure its respective Joint Offerors to undertake to, restore the minimum public float as soon as practicable by selling, or procuring its respective Joint Offerors to sell, to members of the public a sufficient number of Shares to restore the minimum public float on terms mutually agreed and in the proportion equal to their Ownership Percentage, provided that if the Shares held by any of them or its affiliates form part of the public float of the Company at the relevant time, such party and its Joint Offerors shall not be required to comply with this paragraph.

7. DEALING AND INTERESTS IN THE COMPANY'S SECURITIES

Prior to Completion, the Target Company held 238,889,669 Shares, representing approximately 74.75% of the issued Shares as at the Latest Practicable Date. The Existing Share Charge has been provided by the Target Company prior to Completion in favour of Premium Financial by way of first fixed charge as security for the PF Loan over all the 238,889,669 Shares held by it.

Immediately after Completion and as at the Latest Practicable Date, the Target Company was held by Mars Development and Megacore Development as to 60% and 40%, respectively.

The Existing Share Charge continued in full force and effect upon Completion. In addition, on 12 January 2022, the Joint Offerors executed the Joint Offerors Share Charges, pursuant to which, among other things, the Joint Offerors agree to charge all the issued Shares that might be acquired by the Joint Offerors under the Offer (i.e. the MGO Acquired Shares) in favour of Premium Financial as security for the PF Loan. Premium Financial is presumed to be acting in concert with the Joint Offerors under Class (9) of the definition of “acting in concert” under the Takeovers Code.

Save for (i) the Transaction; (ii) the Existing Share Charge; (iii) the Joint Offerors Share Charges, none of the Joint Offerors and the Joint Offerors’ Concert Parties had dealt for value in any Shares, options, derivatives, warrants or other securities convertible into Shares during the Relevant Period.

8. FUTURE INTENTION OF THE JOINT OFFERORS IN RELATION TO THE GROUP

Following the close of the Offer, it is the intention of the Joint Offerors that the Group will continue with its existing principal activities and maintain the employment of the existing employees of the Group including operational staff (except for the proposed changes to the members of the Board as set out in the section headed “9. Proposed Change to the Board Composition” below).

Leveraging on the experience of Mr. Mai and Mr. Zhang in business development and management and their respective investments in technology related companies of 廣州市皇稼農業科技有限公司 (Guangzhou Huangjia Agricultural Science Company Limited*) and 廣州宇泰行數據科技有限公司 (Guangzhou Yutaixing Data Technology Co., Ltd*) (both of which have no present or past relationship with any members of the Group, other than Mr. Mai and Mr. Zhang (as the case may be) being the common beneficial shareholders), the Joint Offerors will continue to explore possible business opportunities appropriate to the Group’s business and operations with a view to enhance the value of the Group. It is also the business intention of the Joint Offerors to explore the feasibility of investing into technology based companies and to generate potential synergies among them. Mr. Mai is a major shareholder of Guangzhou Huangjia Agricultural Science Company Limited, and he is responsible for the overall strategic development and major business decision making of the company. Mr. Zhang is a passive investor in Guangzhou Yutaixing Data Technology Co., Ltd, but provides similar advice in the areas of overall strategic development and major business decision making to Guangzhou Yutaixing Data Technology Co., Ltd as a shareholder. However, neither Mr. Mai and Mr. Zhang are involved in the daily management of the businesses of Guangzhou Huangjia Agricultural Science Company Limited and Guangzhou Yutaixing Data Technology Co., Ltd, respectively. It is their visions to explore any potential synergy, such as cross selling opportunities and bundled solutions among any or all of the two investments and the Company upon the close of the Offer. As at the Latest Practicable Date, the Joint Offerors have not identified any particular target company(ies) and yet to have formulated any detailed plan in this regard. Upon the close of the Offer, the Joint Offerors will conduct a detailed review of the operations of the Group and formulate business strategies for the Group’s long term development.

As at the Latest Practicable Date, no investment or business opportunities has been identified nor have the Joint Offerors entered into any agreement, arrangements, understandings 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, other than those conducted by the Company in its ordinary course of business and/or those which are immaterial in nature.

Save for the anticipated changes to the members of the Board as described in section headed “9. Proposed Change to the Board Composition” in this Composite Document below, the Joint Offerors have no intention to (i) discontinue the employment of any employees of the Group or change the composition of the board of the directors of the Group’s subsidiaries; (ii) redeploy the fixed assets of the Group other than those in its ordinary and usual course of business; or (iii) introduce any major changes in the existing operations and business of the Group, following the close of the Offer.

9. PROPOSED CHANGE TO THE BOARD COMPOSITION

The Board is currently made up of five executive Directors, one non-executive Director and three independent non-executive Directors.

It is proposed that Mr. Jiang Hao, Mr. Peng Zhi, Mr. Xu Jie, Mr. Wang Jing, Mr. Guo Dan and Ms. O Wai will resign as Director with effect from a date which is no earlier than such date as permitted under Rule 7 of the Takeovers Code (i.e. after the close of the Offer).

Mr. Wong Chi Ho, who has been an executive Director since 24 March 2015, will remain as an executive Director. Mr. Wong Chi Ho is also a director and the legal representative of several subsidiaries of the Group.

Mr. Shum Ngok Wa will remain as a non-executive Director. He has been a non-executive Director since 11 August 2021. Mr. Shum Ngok Wa is also a director and vice president of Premium Financial.

Dr. Lin Tat Pang, who has been an independent non-executive Director since 22 December 2017, will remain as an independent non-executive Director.

The Joint Offerors propose to nominate Mr. Mai, Mr. Zhang and Ms. Xu Tingting as executive Directors, Ms. Mai Qiqi as non-executive Director, and Mr. Lai Chi Leung and Mr. Zhang Dingfang as independent non-executive Directors. The appointment of the new executive Directors, non-executive Director and independent non-executive Directors will take effect after the posting of this Composite Document. Meanwhile, the Joint Offerors are considering other potential candidates for nomination as Directors. Any changes to the composition of the Board will be made in compliance with the Takeovers Code and the Listing Rules and further announcement(s), including but not limited to the details required by Rule 13.51(2) of the

Listing Rules, will be made upon any resignation and appointment of the Directors becoming effective. The biographies of the new Directors to be nominated are set out below:

Biographies of new Directors nominated by the Joint Offerors

Mr. Mai Zhaoping (麥照平), aged 54, nominated by the Joint Offerors as an executive Director, obtained the master of management in December 2009 from the Jinan University in the PRC. Mr. Mai has extensive experience in business development and management. He is currently the vice chairman of Guangdong Hongfa Investment Group Co., Limited* (廣東鴻發投資集團有限公司), a company based in the PRC focusing in, inter alia, properties development, financial services, healthcare, education and public area construction in the PRC (www.hongfagroup.net). Mr. Mai was also a former member of the Guangdong Provincial People's Political Consultative Conference during January 2008 to January 2018.

Mr. Mai, being the sole ultimate beneficial owner of Mars Development (one of the Joint Offerors), was interested in 74.75% of the entire issued share capital of the Company as at the Latest Practicable Date through (i) the interest of Mars Development in 60% of the entire issued share capital in the Target Company; and (ii) the acting in concert arrangement with Mr. Zhang pursuant to the Deed of Concert Parties. Mr. Mai is the father of Ms. Mai Qiqi, a new non-executive Director to be appointed to the Board.

Mr. Mai was one of the shareholders and directors (together with another individual) of Top Treasure Engineering Limited ("**Top Treasure**"), a company incorporated with limited liability under the laws of Hong Kong, since April 2000 and until prior to its dissolution. Top Treasure was dissolved or put into liquidation during his directorship. Top Treasure recorded a default in payment of material sum to one of its major customers in 2001. It had then suffered from liquidity issue and unable to settle, inter alia, salary payables when became due. A creditor of Top Treasure filed a petition for its winding up in January 2005 with the High Court of Hong Kong in relation to overdue salary. Top Treasure was dissolved by compulsory winding up by the High Court of Hong Kong in July 2009. Mr. Mai confirmed that (i) there was no wrongful act on his part which led to the winding up or dissolution of Top Treasure; (ii) he is not aware of any actual or potential claim that has been made against him as a result of the winding up or dissolution of Top Treasure; (iii) no misconduct or misfeasance on his part were involved in the winding up or dissolution of Top Treasure.

It is proposed that Mr. Mai will enter into a service contract with the Company for a term of three years and his remuneration will be determined by the Board and the remuneration committee of the Board by reference to his background, experience, qualifications, duties and responsibilities with the Company, the remuneration policy of the Company as well as the prevailing market rates.

Mr. Zhang Xueqin (張學勤), aged 50, nominated by the Joint Offerors as an executive Director, obtained the master of business administration from the Macau

University of Science and Technology in June 2005. Mr. Zhang has extensive experience in business development and management. He is currently the chairman of the board of directors of Guangdong Zhong Zhao Industrial Group Company Limited* (廣東中兆實業集團有限公司), a company based in the PRC focusing in, inter alia, property investments and investments in industrial businesses.

Mr. Zhang, being the sole ultimate beneficial owner of Megacore Development (one of the Joint Offerors), was interested in 74.75% of the entire issued share capital of the Company as at the Latest Practicable Date through (i) the interest of Megacore Development in 40% of the entire issued share capital in the Target Company; and (ii) the acting in concert arrangement with Mr. Mai pursuant to the Deed of Concert Parties.

It is proposed that Mr. Zhang will enter into a service contract with the Company for a term of three years and his remuneration will be determined by the Board and the remuneration committee of the Board by reference to his background, experience, qualifications, duties and responsibilities with the Company, the remuneration policy of the Company as well as the prevailing market rates.

Ms. Xu Tingting (許婷婷) (“Ms. Xu”), aged 38, nominated by the Joint Offerors as an executive Director, graduated from South China Agricultural University (華南農業大學) in July 2007, majoring in accounting and obtained a bachelor’s degree in accounting and management. In addition, she obtained the qualification of an intermediate accountant from the Guangdong Provincial Department of Human Resources and Social Security in August 2009 and was qualified as a certified public accountant in the PRC in March 2011. Ms. Xu was a financial manager of Dongguan Zhenglian Financial Consulting Co., Ltd.* (東莞市正聯財務諮詢有限公司) from September 2007 to March 2011. She has also served as a chief accountant of Dongguan Zhenglian C.P.A. Limited (general partner)* (東莞市正聯會計師事務所(普通合夥)) since April 2011. In addition, Ms. Xu is an executive director of Shenzhen Shangyicheng Trading Limited* (深圳尚一城貿易有限公司), a company indirectly wholly-owned by Mr. Zhang. Ms. Xu has been appointed as an independent non-executive Director of Dongguan Rural Commercial Bank Co., Ltd.* (東莞農村商業銀行股份有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 9889) since October 2019. It is proposed that Ms. Xu will enter into a service contract with the Company for a term of three years and her remuneration will be determined by the Board and the remuneration committee of the Board by reference to her background, experience, qualifications, duties and responsibilities with the Company, the remuneration policy of the Company as well as the prevailing market rates.

Ms. Mai Qiqi (麥綺琪) (“Ms. Mai”), aged 29, nominated by the Joint Offerors as a non-executive Director, obtained her Master of Philosophy degree from the University of Cambridge in 2019 and her bachelor’s degree in science from the University of Toronto in 2017. She has been an analyst of SDIC Innovation Investment Management (Shanghai) Co., Ltd. (國投創新投資管理(上海)有限公司) during December 2019 to January 2022. Ms. Mai is the daughter of Mr. Mai. It is proposed that Ms. Mai will enter into a letter of

appointment with the Company for a term of three years and her remuneration will be determined by the Board and the remuneration committee of the Board by reference to her background, experience, qualifications, duties and responsibilities with the Company, the remuneration policy of the Company as well as the prevailing market rates.

Mr. Lai Chi Leung (黎志良) (“Mr. Lai”), aged 53, nominated by the Joint Offerors as an independent non-executive Director, obtained the bachelor’s degree in art with a first class honour in 1991 from City of London Polytechnic (currently known as London Metropolitan University) in the United Kingdom. Mr. Lai is a member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. Mr. Lai has extensive working experience in audit, taxation, internal control and business review and appraisal for around 25 years. Mr. Lai is currently a director of South China CPA Limited, a corporate CPA practice in Hong Kong. Mr. Lai was also a former independent non-executive director of Tai Shing International (Holdings) Limited (currently known as hmvod Limited), a company listed on GEM of the Stock Exchange (stock code: 8103), during November 2014 to April 2016. It is proposed that Mr. Lai will act as an independent non-executive Director for a term of two years and receive a basic remuneration of HK\$240,000 per annum, which is determined with reference to his background, experience, qualifications, duties and responsibilities with the Company, the remuneration policy of the Company as well as the prevailing market rates, and such other benefits as may be determined by, and at the discretion of, the Board from time to time.

Mr. Zhang Dingfang (張定昉) (“Mr. Zhang DF”), aged 37, nominated by the Joint Offerors as an independent non-executive Director, obtained the bachelor of communication engineering in 2006 from the Beijing University of Posts and Telecommunications in the PRC and the master of science in telecommunication in 2011 from the Hong Kong University of Science and Technology in Hong Kong. Mr. Zhang DF has been certified as a chartered financial analyst (CFA) by the CFA Institute in 2015. Mr. Zhang DF has more than 10 years of experience in corporate finance, capital market and cross-border transaction practices. He has been the head of debt capital markets of CNCB (Hong Kong) Investment Limited since 2016. Prior to that, he worked as vice president at Hong Kong International Capital Management Limited during December 2011 to December 2014, and as senior manager at Hong Kong Huafa Investment Holdings Limited during January 2015 to June 2016. Mr. Zhang DF is currently licensed by the SFC to act as a responsible officer to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) and representative to carry out Type 4 (advising on securities) regulated activities under the SFO. It is proposed that Mr. Zhang DF will act as an independent non-executive Director for a term of two years and receive a basic remuneration of HK\$240,000 per annum, which is determined with reference to his background, experience, qualifications, duties and responsibilities with the Company, the remuneration policy of the Company as well as the prevailing market rates, and such other benefits as may be determined by, and at the discretion of, the Board from time to time.

Save as disclosed above, as at the Latest Practicable Date, each of the new Directors nominated by the Joint Offerors did not (i) hold any other interests in the shares of the Company within the meaning of Part XV of the SFO (other than Mr. Mai and Mr. Zhang being interested in 74.75% of the entire issued share capital of the Company through their interests in the Joint Offerors); (ii) have any relationship with any other directors, senior management, substantial shareholder or controlling shareholder of the Company; (iii) hold any other positions with the Company or other members of the Group; and (iv) hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

Save as disclosed above, there are no other matters relating to the appointment of new Directors nominated by the Joint Offerors that need to be brought to the attention of the shareholders of the Company nor any information to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

10. COMPULSORY ACQUISITION

The Joint Offerors do not intend to exercise any power of compulsory acquisition of any outstanding Offer Shares not acquired under the Offer after the close of the Offer.

11. PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY

The Joint Offerors intend the Company to remain listed on the Stock Exchange. The directors of the Joint Offerors and the new directors to be appointed to the Board of the Company will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares.

The Stock Exchange has indicated that if, upon closing of the Offer, 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:

- (a) a false market exists or may exist in the Shares; or
- (b) there are insufficient Shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend dealing in the Shares until the prescribed level of public float is restored.

12. IMPORTANT NOTE TO SHAREHOLDERS OUTSIDE HONG KONG

The Offer is made in respect of securities of a company incorporated in the Cayman Islands and subject to the statutory procedural and disclosure requirements of Hong Kong, which may be different from those of other jurisdictions.

The Offer is available to all Independent Shareholders including those with registered addresses outside Hong Kong. The availability of the Offer to any Overseas Shareholders may however be affected by the applicable laws and regulations of their relevant jurisdictions of residence. Overseas Shareholders should fully observe any applicable legal and regulatory requirements and, where necessary, consult their own professional advisers. It is the responsibilities of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Overseas Shareholders in respect of such jurisdictions).

Acceptance of the Offer by any Overseas Shareholders will be deemed to constitute a representation and warranty from such Overseas Shareholders to the Joint Offerors that all local laws and requirements have been complied with. The Overseas Shareholders should consult their professional advisers if in doubt.

13. TAXATION ADVICE

Independent Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Joint Offerors or the Joint Offerors' Concert Parties, the Company, Hooray Securities, Hooray Capital, the Independent Financial Adviser and their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

14. ACCEPTANCE AND SETTLEMENT

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

15. GENERAL

To ensure equality of treatment of all Independent Shareholders, those registered Independent Shareholders who hold the Shares as nominee for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. It is essential for the beneficial owner of the Offer Shares whose investments are registered in the name of a nominee to provide instructions to their nominee of their intentions with regards to the Offer.

All documents and remittances will be sent to the Independent Shareholders by ordinary post at their own risk. Such documents and remittances will be sent to them at their respective addresses as they appear in the register of members of the Company or, in the case of joint Independent Shareholders, to the Independent Shareholder whose name appears first in the register of members of the Company, as applicable. None of the Joint Offerors, or the Joint

Offerors' Concert Parties, the Company, Hooray Securities, Hooray Capital, the Independent Financial Adviser, the Registrar or the company secretary of the Company or any of their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other parties involved in the Offer will be responsible for any loss or delay in transmission or any other liabilities that may arise as a result thereof or in connection therewith.

16. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Composite Document and the accompanying Form 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 before deciding whether or not to accept the Offer.

Yours faithfully,
For and on behalf of
Hooray Securities Limited



Simon NG
Director and Chief Executive Officer