

THIS COMPOSITE DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of the Partial Offer, this Composite Document and/or the accompanying Form of Approval and 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 Hunlicar Group Limited, you should at once hand this Composite Document and the accompanying Form of Approval and 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 the transferee(s).

This Composite Document should be read in conjunction with the accompanying Form of Approval and Acceptance, the contents of which form part of the terms and conditions of the Partial Offer.

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 Form of Approval and 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 Form of Approval and Acceptance.

**TALENT VIRTUE
INTERNATIONAL LIMITED**

才德國際有限公司

(Incorporated in the British Virgin Islands with limited liability)



亨利加集團有限公司
HUNLICAR GROUP LIMITED

(formerly known as "Huabang Technology Holdings Limited")

(前稱「華邦科技控股有限公司」)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3638)

**COMPOSITE DOCUMENT RELATING TO
THE CONDITIONAL VOLUNTARY CASH PARTIAL OFFER BY**



浙商國際
ZHESHANG INTERNATIONAL

**ZHESHANG INTERNATIONAL FINANCIAL HOLDINGS CO., LIMITED
ON BEHALF OF
TALENT VIRTUE INTERNATIONAL LIMITED
TO ACQUIRE A MAXIMUM OF
19,439,034 ISSUED SHARE CAPITAL OF HUNLICAR GROUP LIMITED
FROM QUALIFYING SHAREHOLDERS**

Financial Adviser to the Offeror



香港國際資本

Hong Kong International Capital Management Limited

Independent Financial Adviser to the Independent Board Committee



英皇企業融資

Emperor Corporate Finance

Capitalised terms used in this cover page have the same meaning as those defined in the section headed "Definitions" in this Composite Document.

A letter from Zheshang International containing, among other things, the details of the terms and conditions of the Partial Offer is set out on pages 6 to 20 of this Composite Document. A letter from the Board is set out on pages 21 to 26 of this Composite Document. A letter from the Independent Board Committee containing its recommendation to the Qualifying Shareholders in respect of the Partial Offer is set out on pages 27 to 28 of this Composite Document. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee in respect of the Partial Offer is set out on pages 29 to 57 of this Composite Document.

The procedures for approval, acceptance and settlement of the Partial Offer are set out in Appendix I to this Composite Document and in the accompanying Form of Approval and Acceptance. Acceptances of the Partial Offer should be received by the Share Registrar by no later than 4:00 p.m. on Wednesday, 2 April 2025, being the First Closing Date, or such later time and/or date as the Offeror may decide and announce and the Executive may approve.

Any persons including, without limitation, custodians, nominees and trustees, who would, or otherwise intend to, forward this Composite Document and/or the accompanying Form of Approval and Acceptance to any jurisdiction outside of Hong Kong should read the sections headed "Important Notice" in this Composite Document and "Overseas Shareholders" in the letter from Zheshang International before taking any action. It is the responsibility of each Overseas Shareholder wishing to accept the Partial Offer to satisfy himself, herself or itself as to full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required and the compliance with other necessary formalities or legal requirements. Overseas Shareholders are advised to seek professional advice on deciding whether to accept the Partial Offer.

12 March 2025

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EXPECTED TIMETABLE

The timetable set out below is indicative only and may be subject to change. Further announcement(s) will be jointly made by the Offeror and the Company as and when appropriate.

All references to time and dates contained in this Composite Document are to Hong Kong time and dates.

| Event | Hong Kong time and dates |
|--|---|
| Despatch date of this Composite Document and the accompanying Form of Approval and Acceptance and Partial Offer open for acceptance | Wednesday, 12 March 2025 |
| First Closing Date (<i>Note 1</i>)..... | Wednesday, 2 April 2025 |
| Latest time and date for approval and acceptance of the Partial Offer on the First Closing Date (<i>Note 1</i>) | 4:00 p.m. on Wednesday, 2 April 2025 |
| Announcement of the results of the Partial Offer as at the First Closing Date to be posted on the website of the Stock Exchange (<i>Note 4</i>) | no later than 7:00 p.m. on Wednesday, 2 April 2025 |
| Latest time and date for the acceptance of the Partial Offer (assuming that the Partial Offer becomes or is declared unconditional as to acceptances on the First Closing Date) (i.e. the Final Closing Date) (<i>Note 1</i>)..... | 4:00 p.m. on Wednesday, 16 April 2025 |
| Announcement of the results of the Partial Offer as at the Final Closing Date to be posted on the website of the Stock Exchange (<i>Note 4</i>) | 7:00 p.m. on Wednesday, 16 April 2025 |
| Designated agent starts to stand in the market to provide matching services for sale and purchase of odd lots holdings of Shares (assuming that the Partial Offer becomes or is declared unconditional as to acceptances on the First Closing Date)..... | 9:00 a.m. on Thursday, 17 April 2025 |

EXPECTED TIMETABLE

Latest date for posting of remittances for amounts due in respect of valid acceptances received under the Partial Offer and return of share certificate(s) for Shares tendered but not validly accepted under the Partial Offer at or before 4:00 p.m. on the Final Closing Date (assuming that the Partial Offer becomes or is declared unconditional as to acceptances on the First Closing Date) (*Note 5*) Tuesday, 29 April 2025

Latest time and date by which the Partial Offer can become or be declared unconditional as to acceptances (*Note 2*) 7:00 p.m.
on Monday, 12 May 2025

Latest date for despatch of share certificate for those Offer Shares tendered but not purchased under the Partial Offer if the Partial Offer has not become unconditional Wednesday, 21 May 2025

Designated agent ceases to stand in the market to provide matching services for sale and purchase of odd lots holdings of Shares (assuming that the Partial Offer becomes or is declared unconditional as to acceptances on the First Closing Date) 4:00 p.m.
on Thursday, 29 May 2025

Notes:

1. Where the Partial Offer has not become or been declared unconditional as to acceptances by the First Closing Date, the Offeror may extend the closing date of the Partial Offer in accordance with the Takeovers Code. The latest time for receipt of approvals of the Partial Offer and acceptances under the Partial Offer will be 4:00 p.m. on the First Closing Date unless the Offeror revises or extends the Partial Offer in accordance with the Takeovers Code. The Offeror and the Company will issue a joint announcement on the Stock Exchange's website by 7:00 p.m. on the First Closing Date, stating the results of the Partial Offer and whether the Partial Offer has been revised or extended, has lapsed or has become or been declared unconditional in all respects. The Partial Offer must remain open for at least 21 days after the Despatch Date.

Where the Partial Offer has become or been declared unconditional as to acceptance on the First Closing Date, the Partial Offer will remain open for acceptance for 14 days thereafter in accordance with the Takeovers Code, then the Final Closing Date will be Wednesday, 16 April 2025 (may not be further extended). Where the Partial Offer has become or been declared unconditional as to acceptance before the First Closing Date, the Partial Offer will remain open for acceptance for not less than 14 days thereafter, provided that the Final Closing Date shall not be extended to a day beyond the 14th day after the First Closing Date. If the Partial Offer becomes or is declared unconditional in all respects by no later than the date falling 7 days following the Despatch Date, i.e. 19 March 2025, then the Partial Offer will close for acceptance on the First Closing Date.

EXPECTED TIMETABLE

2. In accordance with the Takeovers Code, except with the consent of the Executive, the Partial Offer may not become or be declared unconditional as to acceptances after 7:00 p.m. on the 60th day after the Despatch Date. Where a period laid down by the Takeovers Code ends on a day which is not a business day, the period is extended until the next business day. Accordingly, unless the Partial Offer has previously become unconditional as to acceptances, the Partial Offer will lapse after 7:00 p.m. on Monday, 12 May 2025, unless extended with the consent of the Executive.
3. 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 (set out in Appendix I to this Composite Document) for causing instructions to be given to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures.
4. The announcement of the results of the Partial Offer will be jointly issued by the Offeror and the Company and posted on the Stock Exchange's website. Such announcement will comply with the disclosure requirements under Rule 19.1 and Note 7 to Rule 19 of the Takeovers Code.
5. Remittances in respect of the Offer Shares accepted and taken up by the Offeror under the Partial Offer (after deducting seller's ad valorem stamp duty) will be posted to the relevant Accepting Shareholders by ordinary post at their own risk as soon as possible, but in any event no later than 7 business days (as defined in the Takeovers Code) after the Final Closing Date.
6. If there is a tropical cyclone warning signal number 8 or above, or a "black" rainstorm warning in force or "extreme conditions" (as announced by the Hong Kong government) in Hong Kong:
 - (a) at any local time before 12:00 noon but no longer in force after 12:00 noon on the latest date for acceptance of the Partial Offer and the latest date for despatch of remittances for the amounts due under the Partial Offer in respect of valid acceptances, the latest time for acceptance of the Partial Offer will remain at 4:00 p.m. on the same business day and the latest date for the despatch of remittances will remain on the same business day; or
 - (b) at 12:00 noon and/or thereafter on the latest date for acceptance of the Partial Offer and the latest date for despatch of remittances for the amounts due under the Partial Offer in respect of valid acceptances, the latest time for acceptance of the Partial Offer and the latest date for the despatch of remittances will be rescheduled on the following business day which does not have either of those warnings in force at 12:00 noon and/or thereafter.

Save as mentioned above, if the latest time for acceptance of the Partial Offer does 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 jointly notify the Qualifying Shareholders by way of announcement(s) in the event of any change to the expected timetable as and when appropriate.

IMPORTANT NOTICE

NOTICE TO OVERSEAS SHAREHOLDERS

The making of the Partial Offer to the Overseas Shareholders who are citizens, residents or nationals of jurisdictions outside Hong Kong may be subject to the applicable laws of the relevant jurisdictions in which they are located. Such Overseas Shareholders should inform themselves about and observe any applicable legal or regulatory requirements in their own jurisdictions. It is the responsibility of any Overseas Shareholder wishing to accept the Partial Offer to satisfy himself/herself/itself (and, where necessary, seek independent legal advice) as to the full observance of the laws and regulations of the relevant jurisdictions in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities and the payment of any transfer or other taxes due from such Overseas Shareholders in such relevant jurisdictions.

Any acceptance by such Overseas Shareholders will be deemed to constitute a representation and warranty from such persons to the Company, the Offeror and their respective advisers, including Zheshang International and HKICM, that those local laws and regulatory requirements have been complied with. If you are in doubt as to your position, you should consult your professional advisers. For further details, please refer to the section headed “Overseas Shareholders” in the letter from Zheshang International and Appendix I to this Composite Document.

The Offeror, the Company, Zheshang International, HKICM, the Share Registrar, their respective ultimate beneficial owners, directors, officers, agents, advisers and associates and any other person involved in the Partial Offer shall be entitled to be fully indemnified and held harmless by such Overseas Shareholders for any taxes, duties and levy as such person may be required to pay. Please see the section headed “Taxation and Hong Kong Stamp Duty” 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,

IMPORTANT NOTICE

the Company, Zheshang International, HKICM, the Share Registrar and/or their respective agents 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 Listing Rules and/or the Takeovers Code.

DEFINITIONS

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

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| “Accepting Shareholder(s)” | Qualifying Shareholder(s) accepting the Partial Offer |
| “acting in concert” | has the meaning given to it under the Takeovers Code |
| “associate(s)” | has the meaning given to it under the Takeovers Code |
| “Board” | the board of Directors |
| “CCASS” | Central Clearing and Settlement System established and operated by the Hong Kong Securities Clearing Company Limited |
| “Company” | Hunlicar Group Limited 亨利加集團有限公司, (formerly known as “Huabang Technology Holdings Limited” 「華邦科技控股有限公司」), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 3638) |
| “Composite Document” | this composite offer and response document in respect of the Partial Offer jointly despatched by the Offeror and the Company to the Shareholders in compliance with the Takeovers Code |
| “Conditions” | the conditions to which the Partial Offer is subject, as set out under the section headed “Conditions to the Partial Offer” in the letter from Zheshang International in this Composite Document |
| “Despatch Date” | 12 March 2025, the date of despatch of this Composite Document to the Shareholders in compliance with the Takeovers Code |
| “Director(s)” | director(s) of the Company |
| “Executive” | the Executive Director of the Corporate Finance Division of the SFC or any delegates of the Executive Director |

DEFINITIONS

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| “Final Closing Date” | the date which is (i) the 14th day after the date on which the Partial Offer is declared unconditional as to acceptances or (ii) the First Closing Date, whichever is the later |
| “First Closing Date” | 2 April 2025, being the date stated in this Composite Document as the first closing date of the Partial Offer, which shall be at least 21 days after the Despatch Date, or such later date as may be extended by the Offeror in accordance with the Takeovers Code |
| “Form of Approval and Acceptance” | the form of approval and acceptance in respect of the Partial Offer accompanying this Composite Document |
| “Group” | the Company and its subsidiaries |
| “HKICM” | Hong Kong International Capital Management Limited, a corporation licensed under the SFO permitted to engage in Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities, and the financial adviser to the Offeror in respect of the Partial Offer |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Independent Board Committee” | an independent board committee of the Company, comprising all of the independent non-executive Directors, formed for the purpose of making a recommendation to the Qualifying Shareholders in respect of the Partial Offer, and as to approval and acceptance of the Partial Offer |

DEFINITIONS

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| “Independent Financial Adviser” | Emperor Corporate Finance Limited, a corporation licensed under the SFO permitted to engage in Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities, being the independent financial adviser appointed by the Company to advise the Independent Board Committee in relation to the Partial Offer |
| “Independent Shareholder(s)” | Shareholder(s) other than the Offeror and any party acting in concert with it |
| “Joint Announcement” | the joint announcement dated 20 February 2025 jointly issued by the Offeror and the Company in relation to the Partial Offer |
| “Last Trading Day” | 20 February 2025, being the last trading day for the Shares immediately before the publication of the Joint Announcement |
| “Latest Practicable Date” | 10 March 2025, being the latest practicable date prior to the printing of this Composite Document for ascertaining certain information contained herein |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Maximum Number of Offer Shares” | the maximum number of Offer Shares to be purchased by the Offeror from the Qualifying Shareholders, being 19,439,034 Offer Shares, representing approximately 25.11% of the issued Shares |
| “Minimum Number of Offer Shares” | the minimum number of Offer Shares required to be tendered for acceptance by Qualifying Shareholders, being 15,567,034 Offer Shares, representing approximately 20.11% of the issued Shares |
| “Mr Cheung” | Mr Cheung Lit Wan Kenneth, the sole shareholder of the Offeror, a substantial shareholder of the Company, the chairman of the Board and an executive Director |

DEFINITIONS

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| “Offer Period” | has the meaning ascribed to it under the Takeovers Code which commences on the date of the Joint Announcement and ends on the date on which the Partial Offer closes, lapses or has been withdrawn |
| “Offer Price” | HK\$4.50 for each Offer Share in cash payable by the Offeror to the Qualifying Shareholders accepting the Partial Offer |
| “Offer Share(s)” | the Share(s) held by the Qualifying Shareholders which are subject to the Partial Offer |
| “Offeror” | Talent Virtue International Limited (才德國際有限公司), a company incorporated in the British Virgin Islands with limited liability, the shares of which are 100% owned by Mr Cheung |
| “Overseas Shareholder(s)” | the Shareholder(s) whose address(es) as shown on the Register is/are outside Hong Kong |
| “Partial Offer” | the conditional voluntary cash partial offer being made by Zheshang International on behalf of the Offeror to the Qualifying Shareholders to acquire a maximum of 19,439,034 Shares on the terms and conditions set out in this Composite Document, and in compliance with the Takeovers Code |
| “PRC” | the People’s Republic of China which, for the purpose of this Composite Document, shall exclude Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan |
| “Pre-Condition” | the pre-condition as set out under the paragraph headed “Pre-Condition to the Partial Offer” in the letter from Zheshang International in this Composite Document for the making of the Partial Offer, which was fulfilled on 28 February 2025 |
| “Qualifying Shareholder(s)” | Shareholder(s) other than the Offeror and Mr Cheung |
| “Register” | the register of members of the Company |

DEFINITIONS

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| “Relevant Period” | the period from 20 August 2024, being the date falling six months prior to the date of the Joint Announcement and ending on and including the Latest Practicable Date |
| “relevant securities” | has the meaning ascribed to it under Note 4 to Rule 22 of the Takeovers Code |
| “rights over shares” | has the meaning ascribed to it under the Takeovers Code |
| “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)” | the ordinary share(s) of the Company |
| “Share Registrar” | Tricor Investor Services Limited, the Hong Kong branch share registrar of the Company, whose address is situated at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong |
| “Shareholder(s)” | the holder(s) of the Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “subsidiaries” | has the meaning ascribed to it under the Listing Rules |
| “Takeovers Code” | The Hong Kong Code on Takeovers and Mergers published by the SFC, as amended, supplemented or otherwise modified from time to time |
| “Zheshang International” | Zheshang International Financial Holdings Co., Limited 浙商國際金融控股有限公司, a corporation licensed under the SFO permitted to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts), type 4 (advising on securities), Type 5 (advising on Futures Contracts), and Type 9 (asset management) regulated activities |
| “%” | per cent. |



Zheshang International Financial
Holdings Co., Limited
Room 1703-06, 17/F.,
Infinitus Plaza,
199 Des Voeux Road Central,
Sheung Wan, Hong Kong

12 March 2025

To Qualifying Shareholders

Dear Sir or Madam,

**CONDITIONAL VOLUNTARY CASH PARTIAL OFFER BY
ZHESHANG INTERNATIONAL FINANCIAL HOLDINGS CO., LIMITED
ON BEHALF OF
TALENT VIRTUE INTERNATIONAL LIMITED
TO ACQUIRE A MAXIMUM OF
19,439,034 ISSUED SHARE CAPITAL OF HUNLICAR GROUP LIMITED
FROM QUALIFYING SHAREHOLDERS**

INTRODUCTION

On 20 February 2025, the Offeror and the Company jointly announced that Zheshang International, on behalf of the Offeror, would make a voluntary conditional cash partial offer to acquire a maximum of 19,439,034 Shares (representing approximately 25.11% of the Shares in issue as at the Latest Practicable Date) from the Qualifying Shareholders at the Offer Price of HK\$4.50 per Offer Share in cash.

This letter forms part of this Composite Document and sets out certain background information of the Offeror, the reasons for making the Partial Offer and the intention of the Offeror in relation to the Company. The terms of the Partial Offer are set out in this letter, Appendix I to this Composite Document and in the accompanying Form of Approval and Acceptance.

Your attention is drawn to the letter from the Board on pages 21 to 26, the letter from the Independent Board Committee on pages 27 to 28 and the letter from the Independent Financial Adviser on pages 29 to 57 in this Composite Document.

LETTER FROM ZHESHANG INTERNATIONAL

THE PARTIAL OFFER

Offer Price

The Partial Offer is being made by Zheshang International on behalf of the Offeror at the following price:

For each Offer Share HK\$4.50 in cash

Offer Shares to be acquired

The Offer Shares to be acquired by the Offeror from the Qualifying Shareholders shall be fully paid, free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights and benefits at any time accruing and attaching thereto, including all rights to any dividend or other distributions the record date of which falls on or after the Final Closing Date. As at the Latest Practicable Date, the Company has no declared but unpaid dividends, distributions and/or other return of capital. The Company confirms that as at the Latest Practicable Date, it does not have any intention to make, declare or pay any further dividend or make other distributions between the Latest Practicable Date and the Final Closing Date.

If, after the Latest Practicable Date and up to the Final Closing Date, any dividend and distributions is declared in respect of the Offer Shares and the record date of which falls on or before the Final Closing Date, the Offeror reserves the right to reduce the Offer Price by an amount equal to the amount of such dividend or distributions declared, made or paid in respect of each Offer Share, in which case any reference in the Joint Announcement, this Composite Document or any other announcement or document to the Offer Price will be deemed to be a reference to the Offer Price as so reduced.

Pre-Condition to the Partial Offer

As stated in the Joint Announcement, the making of the Partial Offer was subject to the obtaining of the consent from the Executive in respect of the Partial Offer pursuant to Rule 28.1 of the Takeovers Code. On 28 February 2025, the Offeror and the Company jointly announced that the Pre-Condition was fulfilled.

Conditions to the Partial Offer

The Partial Offer is subject to the fulfilment of the following Conditions:

- (i) valid acceptances being received in respect of the Minimum Number of Offer Shares (i.e. 15,567,034 Offer Shares) and which would result in the Offeror and parties acting in concert with it holding the interest in more than 50% of the

LETTER FROM ZHESHANG INTERNATIONAL

Shares in issue at or before 4:00 p.m. (Hong Kong time) on the First Closing Date (or such later date as the Offeror may decide and the Executive may approve), provided that the Offeror shall purchase from the Qualifying Shareholders as many Offer Shares as are tendered by the Qualifying Shareholders up to the Maximum Number of Offer Shares (i.e. 19,439,034 Offer Shares); and

- (ii) approval of the Partial Offer pursuant to Rule 28.5 of the Takeovers Code by the shareholders holding over 50% of the Shares not held by the Offeror and parties acting in concert with it, signified by means of a separate tick box on the Form of Approval and Acceptance specifying the number of Shares in respect of which the Partial Offer is approved.

For Qualifying Shareholders who wish to approve and accept the Partial Offer, they are reminded to complete both Box A and Box B of the Form of Approval and Acceptance. Whether or not the Independent Shareholders accept the Partial Offer, they may approve the Partial Offer and specify the number of Shares in respect of which they approve the Partial Offer in the Form of Approval and Acceptance. Each Share held by the Independent Shareholders shall be entitled to ONE vote only. Multiple votes in respect of the same Share will not be taken into account in counting the approval of the Partial Offer. Qualifying Shareholders may also specify the number of Shares in respect of which they tender for acceptance of the Partial Offer.

In the event that valid acceptances are received:

- (i) for less than the Minimum Number of Offer Shares by the First Closing Date, unless the First Closing Date is extended in accordance with the Takeovers Code, the Partial Offer will not proceed and will lapse immediately; and
- (ii) for not less than the Minimum Number of Offer Shares and which would result in the Offeror and parties acting in concert with it holding the interest in more than 50% of the Shares in issue on or before the First Closing Date, the Offeror will declare the Partial Offer unconditional as to acceptances on or before the First Closing Date.

Pursuant to Rule 15.1 of the Takeovers Code, the Partial Offer must initially be open for acceptance for at least 21 days after the Despatch Date.

LETTER FROM ZHESHANG INTERNATIONAL

Pursuant to Rule 15.3 of the Takeovers Code, where a conditional offer becomes or is declared unconditional (whether as to acceptances or in all respects), it should remain open for acceptance for not less than 14 days thereafter. Pursuant to Rule 28.4 of the Takeovers Code, if the Partial Offer has been declared unconditional as to acceptances on the First Closing Date, the Offeror cannot extend the Final Closing Date to a day beyond the 14th day after the First Closing Date.

Accordingly, if the Partial Offer is declared unconditional in all respects on or before the 7th day after the Despatch Date, then the Final Closing Date would be on (but no earlier than) the First Closing Date. If the Partial Offer is declared unconditional in all respects later than the 7th day after the Despatch Date, then the Final Closing Date would be the 14th day after the date of such declaration.

Further announcement(s) will be made as and when appropriate in relation to the revision, extension or lapse of the Partial Offer (as the case may be), or the fulfilment of the Conditions of the Partial Offer, in accordance with the requirements of the Takeovers Code.

Pursuant to Rule 28.6 of the Takeovers Code, since the Offeror and parties acting in concert with it will be holding more than 50% of the voting rights of the Company if the Partial Offer becomes unconditional in all respects and full valid acceptances of the Partial Offer are received, the Offeror and parties acting in concert with it will then be free to acquire further voting rights in the Company without incurring any obligation to make a general offer subject to Rule 28.3 of the Takeovers Code (that is, the Offeror and parties acting in concert with it (including any other person who is subsequently acting in concert with it) may not acquire voting rights in the Company during the 12-month period immediately following the end of the Offer Period, except with the consent of the Executive).

Pursuant to Rule 15.5, except with the consent of the Executive, the Partial Offer may not become or be declared unconditional as to acceptances after 7:00 p.m. on the 60th day after the Despatch Date.

WARNING: Shareholders and potential investors of the Company should note that the Partial Offer is subject to the satisfaction of the Conditions. Accordingly, the Partial Offer may or may not become unconditional. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and, if they are in any doubt about their positions, they should consult their professional advisers.

VALUE OF THE PARTIAL OFFER

Subject to the Partial Offer becomes unconditional in all respects, each Qualifying Shareholder will receive a payment of HK\$4.50 in cash (subject to any adjustments as set out in the paragraph headed “Effect of accepting the Partial Offer” below) for every Offer Share in respect of which that Qualifying Shareholder validly accepts the Partial Offer and which is taken up by the Offeror under the Partial Offer (less any seller’s ad valorem stamp duty arising therefrom).

Comparison of value

The Offer Price of HK\$4.50 per Offer Share represents:

- (i) a discount of approximately 11.24% to the closing price of HK\$5.07 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 11.07% to the closing price of HK\$5.0600 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 12.69% to the average closing price of HK\$5.1540 per Share, being the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 9.95% to the average closing price of HK\$4.9970 per Share, being the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 4.45% to the average closing price of HK\$4.7093 per Share, being the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 30 consecutive trading days up to and including the Last Trading Day;
- (vi) a premium of approximately 23.29% over the audited consolidated net asset value per Share attributable to Shareholders of approximately HK\$3.65 as at 31 March 2024, calculated based on the audited consolidated net asset value attributable to Shareholders of approximately HK\$282,974,000 as at 31 March 2024 and 77,423,775 Shares in issue as at the Latest Practicable Date;

LETTER FROM ZHESHANG INTERNATIONAL

- (vii) a premium of approximately 24.31% over the unaudited consolidated net asset value per Share attributable to Shareholders of approximately HK\$3.62 as at 30 September 2024, calculated based on the unaudited consolidated net asset value attributable to Shareholders of approximately HK\$280,136,000 as at 30 September 2024 and 77,423,775 Shares in issue as at the Latest Practicable Date; and
- (viii) a premium of approximately 55.71% over the adjusted unaudited consolidated net asset value per Share attributable to Shareholders of approximately HK\$2.89 as at 30 September 2024, calculated based on the 77,423,775 Shares in issue as at the Latest Practicable Date. The calculation of the Adjusted NAV is set out in the section headed “UNAUDITED ADJUSTED NAV PER SHARE” in Appendix II to this Composite Document.

Highest and lowest Share prices

During the Relevant Period, the highest and lowest closing prices of the Shares as quoted on the Stock Exchange were HK\$6.00 (on 23 August 2024, 29 August 2024 and 3 October 2024) and HK\$2.76 (on 26 September 2024), respectively.

Total consideration of the Partial Offer

Assuming valid acceptance of all the Partial Offer for relevant number of Offer Shares has been tendered by the Qualifying Shareholders and based on the Offer Price of HK\$4.50 per Offer Share, the total cash consideration payable by the Offeror to purchase (a) the Maximum Number of Offer Shares from the Qualifying Shareholders under the Partial Offer will be approximately HK\$87,475,653 and (b) the Minimum Number of Offer Shares from the Qualifying Shareholders under the Partial Offer will be approximately HK\$70,051,653.

As at the Latest Practicable Date, the Company does not have in issue any outstanding options, warrants, derivatives or securities that carry a right to subscribe for or which are convertible into the Shares.

Confirmation of financial resources

The Offeror will finance the cash required for the Partial Offer by internal resources. HKICM, as the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the maximum consideration payable by the Offeror under the Partial Offer.

OTHER TERMS OF THE PARTIAL OFFER

Acceptance of the Partial Offer

The Qualifying Shareholders may accept the Partial Offer in respect of some or all of the Offer Shares held by them.

Subject to the Partial Offer becoming unconditional in all respects: (i) if valid acceptances are received for not less than the Minimum Number of Offer Shares, but not more than the Maximum Number of Offer Shares as at the Final Closing Date, all Offer Shares validly accepted will be taken up; and (ii) if valid acceptances are received for more than the Maximum Number of Offer Shares as at the Final Closing Date, the total number of Offer Shares to be taken up by the Offeror from each accepting Qualifying Shareholder will be determined by the total number of Offer Shares tendered for acceptance in accordance with the following formula:

$$\frac{A}{B} \times C$$

A = the Maximum Number of Offer Shares as at the Final Closing Date, being the maximum number of Offer Shares for which the Partial Offer is made (i.e. 19,439,034 Shares)

B = the total number of Offer Shares validly tendered by all Qualifying Shareholders under the Partial Offer

C = the number of Offer Shares tendered by the relevant individual Qualifying Shareholder under the Partial Offer

Partial nature of the Partial Offer and effect of fractions

It is possible that, if a Qualifying Shareholder tenders all his/her/its Shares for acceptance under the Partial Offer, not all of such Shares will be taken up.

Fractions of Offer Shares will not be taken up under the Partial Offer and, accordingly, the number of Offer Shares that the Offeror will take up from each Qualifying Shareholder in accordance with the above formula will be rounded up or down to the nearest whole number at the discretion of the Offeror, and in any event, the total number of Offer Shares to be taken up by the Offeror will not exceed the Maximum Number of Offer Shares.

LETTER FROM ZHESHANG INTERNATIONAL

Odd lots

Qualifying Shareholders should note that acceptance of the Partial Offer may result in their holding odd lots of Shares. Accordingly, Wanhai Securities (HK) Limited whose address is at Rooms 4037-4039, 40/F, Sun Hung Kai Centre, 30 Harbour Road, Wan Chai, Hong Kong (telephone number: +852 3590 4724, office hours: 9:00 a.m. to 5:30 p.m.) has been appointed by the Offeror to match sales and purchases of odd lot holdings of Shares in the market for a period of six weeks following the closing of the Partial Offer to enable such Qualifying Shareholders to dispose of their odd lots or to top up their odd lots to whole board lots. Qualifying Shareholders should note that the matching of odd lots is not guaranteed.

Effect of accepting the Partial Offer

Acceptance of the Partial Offer by any Qualifying Shareholder will constitute a warranty by such Shareholder to the Offeror that the Shares sold by it to the Offeror under the Partial Offer are fully paid, free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights and benefits at any time accruing and attaching thereto, including all rights to any dividend or other distributions the record date of which falls on or after the Final Closing Date. As at the Latest Practicable Date, the Company has no declared but unpaid dividends, distributions, and/or other return of capital. The Company confirms that as at the Latest Practicable Date, it does not have any intention to make, declare or pay any further dividend or make other distributions between the Latest Practicable Date and the Final Closing Date.

If, after the Latest Practicable Date and up to the Final Closing Date, any dividend and distributions is declared in respect of the Offer Shares and the record date of which falls on or before the Final Closing Date, the Offeror reserves the right to reduce the Offer Price by an amount equal to the amount of such dividend or distributions declared, made or paid in respect of each Offer Share, in which case any reference in the Joint Announcement, the Composite Document or any other announcement or document to the Offer Price will be deemed to be a reference to the Offer Price as so reduced.

Acceptance of the Partial Offer shall be irrevocable and shall not be capable of being withdrawn, except as permitted under the Takeovers Code. Please refer to the section headed “EFFECT OF ACCEPTANCE OF THE PARTIAL OFFER BY QUALIFYING SHAREHOLDERS — 1. Irrevocable Acceptances and right of withdrawal” on page I-9 of this Composite Document.

LETTER FROM ZHESHANG INTERNATIONAL

Settlement of consideration

Subject to the Partial Offer becomes unconditional in all respects, each Qualifying Shareholder will receive a payment of the Offer Price in cash (subject to any adjustments as set out in the paragraph headed “Offer Shares to be acquired” above) for every Offer Share in respect of which that Qualifying Shareholder validly accepts the Partial Offer and which is taken up by the Offeror under the Partial Offer (less any seller’s ad valorem stamp duty arising therefrom).

Settlement of the consideration payable by the Offeror in respect of acceptance of the Partial Offer will be made as soon as possible but in any event no later than 7 business days (as defined in the Takeovers Code) after the Final Closing Date.

LETTER FROM ZHESHANG INTERNATIONAL

SHAREHOLDING STRUCTURE OF THE COMPANY AND EFFECT OF THE PARTIAL OFFER

Assuming that there will be no change to the issued share capital of the Company, the shareholding structure of the Company, as at the Latest Practicable and immediately upon completion of the Partial Offer (assuming that the Qualifying Shareholders have validly tendered such number of Shares accepted in proportion to the number of Shares held by each of them) set out below:

| | As at the Latest Practicable Date | | Immediately after the closing of the Partial Offer | | | |
|---|--------------------------------------|--------------------------|--|--------------------------|--|--------------------------|
| | <i>Number of Shares</i> | <i>Approximate %</i> | Assuming the Minimum Number of Offer Shares is tendered for acceptance by the Qualifying Shareholders under the Partial Offer | | Assuming the Maximum Number of Offer Shares is tendered for acceptance by the Qualifying Shareholders under the Partial Offer | |
| | | | <i>Number of Shares</i> | <i>Approximate %</i> | <i>Number of Shares</i> | <i>Approximate %</i> |
| Mr Cheung | 3,750,000 | 4.84% | 3,750,000 | 4.84% | 3,750,000 | 4.84% |
| The Offeror | <u>19,394,966</u> | <u>25.05%</u> | <u>34,962,000</u> | <u>45.16%</u> | <u>38,834,000</u> | <u>50.16%</u> |
| <i>Sub-total of the Offeror and parties acting in concert with it</i> | 23,144,966 | 29.89% | 38,712,000 | 50.00% | 42,584,000 | 55.00% |
| | | | | <i>(note 1)</i> | | |
| Qualifying Shareholders | | | | | | |
| Substantial Shareholder | | | | | | |
| Shen Pei Lin <i>(note 2)</i> | 9,876,333 | 12.76% | — | — | — | — |
| Public Shareholders | | | | | | |
| Shen Pei Lin <i>(note 2)</i> | — | — | 7,043,824 | 9.10% | 6,339,292 | 8.19% |
| Public Shareholders | <u>44,402,476</u> | <u>57.35%</u> | <u>31,667,951</u> | <u>40.90%</u> | <u>28,500,483</u> | <u>36.81%</u> |
| <i>Sub-total:</i> | <u>54,278,809</u> | <u>70.11%</u> | <u>38,711,775</u> | <u>50.00%</u> | <u>34,839,775</u> | <u>45.00%</u> |
| Total | <u>77,423,775</u> | <u>100%</u> | <u>77,423,775</u> | <u>100%</u> | <u>77,423,775</u> | <u>100%</u> |

The approximate percentage figures as shown above are rounded to the nearest two decimal places and therefore may not add up to 100% due to rounding.

LETTER FROM ZHESHANG INTERNATIONAL

Notes:

1. The percentage of this figure is approximately 50.00014%, which is more than 50%.
2. Save for Shen Pei Lin being a director of Apollo Capital Management Limited, a company in which the Company and its subsidiaries are interested in 9% equity interest, each of the Offeror and the Company has confirmed that they have no relationship with Shen Pei Lin. Shen Pei Lin will become public shareholder in the event the interest after completion of the Partial Offer is decreased to be under 10%.

Save as aforesaid, as at the Latest Practicable Date, (i) the Company has no other shares, options, warrants, derivatives or other securities that are convertible or exchangeable into Shares or other types of equity interest; and (ii) save for Mr Cheung, none of the other Directors is interested in any Shares.

PUBLIC FLOAT

The Stock Exchange has stated that if, at the close of the Partial Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares (excluding treasury 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.

As at the Latest Practicable Date, the Company has a public float of approximately 57.35% of the Shares in issue. Assuming full acceptances of the Maximum Number of Offer Shares under the Partial Offer by the Qualifying Shareholders and that there are no changes to the issued share capital of the Company between the Latest Practicable Date and up to the Final Closing Date, the Company will have at least a public float of approximately 32.24% of the Shares in issue immediately following the close of the Partial Offer (being 57.35% minus 25.11%, assuming the full and maximum amount of the Offer Shares are tendered for acceptance by the public shareholders as at the Latest Practicable Date). Accordingly, the number of Shares in public hands will continue to meet the 25% minimum public float requirement under Rule 8.08 of the Listing Rules. The Offeror intends the Shares to remain listed on the Exchange. To ensure that the public float requirement continues to be satisfied by the Company after completion of the Partial Offer, the Offeror has decided to proceed with the Partial Offer instead of an offer for all the Shares to maintain the listing status of the Company, upon completion of the Partial Offer, for which 25% or more of the Shares in issue will need to be held by the public in accordance with the Listing Rules.

LETTER FROM ZHESHANG INTERNATIONAL

The sole director of the Offeror has undertaken (and the new directors to be appointed to the Board (if any) will, jointly and severally undertake) to the Exchange to take appropriate steps to ensure that sufficient public float exists in Shares.

INFORMATION OF THE OFFEROR

The Offeror is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. The sole shareholder and sole director of the Offeror is Mr Cheung, who is also the chairman of the Board, an executive Director and substantial shareholder of the Company.

The Offeror and parties acting in concert with it held 23,144,966 Shares, representing approximately 29.89% of the existing issued share capital in the Company as at the Latest Practicable Date.

REASONS FOR AND BENEFITS OF THE PARTIAL OFFER AND INTENTION OF THE OFFEROR

Mr Cheung has been appointed as the Director and Chairman of the Company since 2 July 2024. Mr Cheung is a seasoned professional with over 30 years of management experience in investment on securities, wealth management, asset management and financial products. Mr Cheung is a substantial shareholder of the Company and directly and indirectly held in aggregate 23,144,966 Shares, representing approximately 29.89% of the issued share of the Company.

Leveraging on the Hong Kong' long-standing reputation as an international financial center and Hong Kong's strategic initiatives to be one of the premier destinations for global family offices, Mr Cheung is optimistic about the growth momentum of the financial services segment and the family office service and related business the Group operates and the opportunities available to the Group.

Upon the close of the Partial Offer, it is expected that Mr Cheung will (through his interest and interest in the Offeror) hold not less than 50% and up to 55% of the total issued Shares of the Company. The Partial Offer represents an opportunity for Mr Cheung to increase his investment in the Company and align the interests of Mr Cheung with the Group through his equity shareholding in the Company. This also demonstrates his confidence and commitment to the Group.

As to the Qualifying Shareholders, they will be given an attractive opportunity to realise part of their investment at a premium to the net asset value of the Shares, and at the same time retain the balance of their equity interest in the Company in order to participate in and benefit from the future growth of the Company.

LETTER FROM ZHESHANG INTERNATIONAL

Based on the above, the Partial Offer will be in the interests of the Company.

For the reasons and benefits above and the public float requirements as discussed in previous section, the Offeror therefore makes the Partial Offer instead of an offer for all of the Shares.

Intention of the Offeror

With the completion of the Partial Offer, the Offeror intends that the Company will continue its existing business and the employment of employees of the Group in their ordinary courses. The Offeror has no intention to introduce any major changes in the business of the Company and any redeployment of the fixed assets of the Company. The Offeror has no current intention to scale down, cease or disposal of any of the Company's existing businesses. However, the Offeror will continue to review the Group's business and operations from time to time, and it reserves the right to make any changes that it deems necessary or appropriate to the Group's business and operations to optimise the value of the Group.

The Offeror intends to maintain the listing status of the Shares on the Stock Exchange upon completion of the Partial Offer.

HONG KONG STAMP DUTY

In Hong Kong, the seller's ad valorem stamp duty arising in connection with acceptance of the Partial Offer will be payable by the relevant Qualifying Shareholders at a rate of 0.1% of (i) the market value of the relevant Offer Shares accepting the Partial Offer; or (ii) the consideration payable by the Offeror in respect of the relevant acceptance of the Partial Offer, whichever is higher, which will be deducted from the cash amount payable by the Offeror to such Qualifying Shareholder on valid acceptance of the Partial Offer in respect of Offer Shares taken up by the Offeror (where the stamp duty calculated includes a fraction of HK\$1, the stamp duty will be rounded-up to the nearest HK\$1). The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Qualifying Shareholders accepting the Partial Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptance of the Partial Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

Qualifying 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 Partial Offer. None of the Offeror, Zheshang International, HKICM, the Company and their respective ultimate beneficial owners, directors, officers,

LETTER FROM ZHESHANG INTERNATIONAL

agents or associates or any other person involved in the Partial Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Partial Offer.

OVERSEAS SHAREHOLDERS

The availability of the Partial Offer to persons who are not resident in Hong Kong may be affected by the applicable laws of the relevant jurisdiction in which they reside. Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements in their own jurisdictions and, where necessary, seek their own legal advice. It is the responsibility of those Shareholders who wish to accept the Partial 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 Partial 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 Shareholders in respect of such jurisdictions).

Any acceptance of the Partial Offer by any Qualifying Shareholder will be deemed to constitute a representation and warranty from such persons to the Offeror and their advisers that all local laws and regulatory requirements have been complied with and that the Partial Offer can be accepted by such persons lawfully under the laws of the relevant jurisdiction and such acceptance shall be valid and binding in accordance with all applicable laws and regulations. Qualifying Shareholders should consult their professional advisers if in any doubt.

COMPULSORY ACQUISITION

The Offeror does not intend to avail itself of any powers of compulsory acquisition.

FURTHER TERMS OF ACCEPTANCE OF THE PARTIAL OFFER

Further terms of acceptance of the Partial Offer, including, among other things, procedures for acceptance and settlement and the acceptance period, are set out in Appendix I to this Composite Document and the accompanying Form of Approval and Acceptance.

ADDITIONAL INFORMATION

To ensure equality of treatment of all Qualifying Shareholders, registered Shareholders who hold Shares as nominees for more than one beneficial owner should, as far as practicable, treat the holding of Shares by each beneficial owner separately. In

LETTER FROM ZHESHANG INTERNATIONAL

order for the beneficial owners of Shares whose investments are registered in nominee names (including those whose interests in Shares are held through CCASS) to approve and/or accept the Partial Offer, it is essential that they provide instructions to their nominees of their intentions with regard to the Partial Offer.

Your attention is drawn to the letter from the Board on pages 21 to 26, the letter from the Independent Board Committee on pages 27 to 28 and the letter from the Independent Financial Adviser on pages 29 to 57 in this Composite Document.

In considering what action to take in connection with the Partial Offer, you should consider your own tax and financial positions and, if you are in doubt, you should consult your professional advisers.

Yours faithfully

For and on behalf of

Zheshang International Financial Holdings Co., Limited

YAU Ho Pan

Deputy General Manager

LETTER FROM THE BOARD



(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3638)

Executive Directors:

Mr Cheung Lit Wan Kenneth (*Chairman*)

Mr Chan Wing Sum

Mr Qu Hongqing

Independent Non-Executive Directors:

Mr Loo Hong Shing Vincent

Mr Leung Wai Kwan

Mr Lee Ka Leung Daniel

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Head Office and Principal Place of

Business in Hong Kong:

22/F, Sun Hung Kai Centre

30 Harbour Road

Wan Chai, Hong Kong

12 March 2025

To Qualifying Shareholders

Dear Sir or Madam,

**CONDITIONAL VOLUNTARY CASH PARTIAL OFFER BY
ZHESHANG INTERNATIONAL FINANCIAL HOLDINGS CO., LIMITED
ON BEHALF OF
TALENT VIRTUE INTERNATIONAL LIMITED
TO ACQUIRE A MAXIMUM OF
19,439,034 ISSUED SHARE CAPITAL OF HUNLICAR GROUP LIMITED
FROM QUALIFYING SHAREHOLDERS**

INTRODUCTION

On 20 February 2025, the Offeror and the Company jointly announced that Zheshang International, on behalf of the Offeror, would make a voluntary conditional cash partial offer to acquire a maximum of 19,439,034 Shares (representing approximately 25.11% of the Shares in issue as at the Latest Practicable Date) from the Qualifying Shareholders at the Offer Price of HK\$4.50 per Offer Share in cash.

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) further information relating to each of the Group, the Offeror, and the Partial Offer; (ii) the letter from Zheshang International containing details of the Partial Offer; (iii) the letter from the Independent Board Committee containing its recommendation and advice to the Qualifying Shareholders in respect of the Partial Offer; and (iv) the letter from the Independent Financial Adviser, containing its advice to the Independent Board Committee on whether the Partial Offer is fair and reasonable so far as the Independent Shareholders are concerned and as to approval and acceptance in respect of the Partial Offer.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

In accordance with Rules 2.1 and 2.8 of the Takeovers Code, the Independent Board Committee, comprising all of the independent non-executive Directors, namely Mr Loo Hong Shing Vincent, Mr Leung Wai Kwan and Mr Lee Ka Leung Daniel, has been established to make a recommendation to the Qualifying Shareholders as to whether the Partial Offer is fair and reasonable, and as to approval and acceptance of the Partial Offer.

The Company has appointed Emperor Corporate Finance Limited as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Partial Offer and in particular as to whether the terms of the Partial Offer are fair and reasonable and as to acceptance pursuant to Rule 2.1 of the Takeovers Code. Such appointment has been approved by the Independent Board Committee.

THE PARTIAL OFFER

Offer Price

The Partial Offer will be made by Zheshang International, for and on behalf of the Offeror, in compliance with the Takeovers Code on the basis set out below:

For each Offer Share HK\$4.50 in cash

Conditions to the Partial Offer

The Partial Offer is subject to the fulfilment of the following Conditions:

- (i) valid acceptances being received in respect of the Minimum Number of Offer Shares (i.e. 15,567,034 Offer Shares) and which would result in the Offeror and parties acting in concert with it holding the interest in more than 50% of the Shares in issue at or before 4:00 p.m. (Hong Kong time) on the First Closing

LETTER FROM THE BOARD

Date (or such later date as the Offeror may decide and the Executive may approve), provided that the Offeror shall purchase from the Qualifying Shareholders as many Offer Shares as are tendered by the Qualifying Shareholders up to the Maximum Number of Offer Shares (i.e. 19,439,034 Offer Shares); and

- (ii) approval of the Partial Offer pursuant to Rule 28.5 of the Takeovers Code by the shareholders holding over 50% of the Shares not held by the Offeror and parties acting in concert with it, signified by means of a separate tick box on the Form of Approval and Acceptance specifying the number of Shares in respect of which the Partial Offer is approved.

Further details of the Partial Offer are set out in the letter from Zheshang International in this Composite Document, Appendix I to this Composite Document and the accompanying Form of Approval and Acceptance.

As at the Latest Practicable Date, there were 77,423,775 Shares in issue. The Company had no other share, options, warrants, derivatives or other securities that are convertible or exchangeable into Shares or other types of equity interest as at the Latest Practicable Date.

SHAREHOLDING STRUCTURE OF THE COMPANY AND EFFECT OF THE PARTIAL OFFER

The shareholding structure of the Company as at the Latest Practicable Date and after the closing of the Partial Offer (assuming that there are no changes to the total number of Shares in issue between the Latest Practicable Date and the Final Closing Date) is set out in the section headed “SHAREHOLDING STRUCTURE OF THE COMPANY AND EFFECT OF THE PARTIAL OFFER” in the letter from Zheshang International in this Composite Document.

REASONS FOR AND BENEFITS OF THE PARTIAL OFFER

Your attention is drawn to the sections headed “REASONS FOR AND BENEFITS OF THE PARTIAL OFFER AND INTENTION OF THE OFFEROR” respectively in the letter from Zheshang International in this Composite Document.

LETTER FROM THE BOARD

INTENTION OF THE OFFEROR

Your attention is drawn to the letter from Zheshang International in this Composite Document which sets out, among other things, the intentions of the Offeror regarding the business of the Company. The Board notes that the Offeror intends that the Company will continue its existing business and the employment of employees of the Group in their ordinary courses. The Offeror has no intention to introduce any major changes in the business of the Company and any redeployment of the fixed assets of the Company, or to scale down, cease or dispose of any of the Company's existing businesses.

The Board is pleased to acknowledge the intention of the Offeror in respect of the Group.

INFORMATION ON THE GROUP

The Company is a company incorporated in the Cayman Islands with limited liability and its Shares are listed on the Main Board of the Stock Exchange. The Group is principally engaged in (i) computer and electronic products trading business (including computer and peripheral products and electronics products business), (ii) food trading business, (iii) financial services business (including securities brokerage business, advisory services business and money lending business) and (iv) family office services business.

Your attention is drawn to Appendices II, III and IV to this Composite Document which contain further information in relation to the financial information of the Group, the property valuation report, and the general information of the Group.

PUBLIC FLOAT

The Stock Exchange has stated that if, at the closing of the Partial Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares (excluding treasury 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.

LETTER FROM THE BOARD

As at the date of the Latest Practicable Date, the Company has a public float of approximately 57.35% of the Shares in issue. Assuming full acceptances of the Maximum Number of Offer Shares under the Partial Offer by the Qualifying Shareholders and that there are no changes to the issued share capital of the Company between the Latest Practicable Date and up to the Final Closing Date, the Company will have at least a public float of approximately 32.24% of the Shares in issue immediately following the close of the Partial Offer (being 57.35% minus 25.11%, assuming the full and maximum amount of the Offer Shares are tendered for acceptance by the public shareholders as at the Latest Practicable Date). Accordingly, the number of Shares in public hands will continue to meet the 25% minimum public float requirement under Rule 8.08 of the Listing Rules. The Offeror intends to maintain the listing status of the Shares on the Stock Exchange upon completion of the Partial Offer.

RECOMMENDATION

An Independent Board Committee, which comprises all of the independent non-executive Directors, namely Mr Loo Hong Shing Vincent, Mr Leung Wai Kwan and Mr Lee Ka Leung Daniel, has been established by the Board in accordance with Rules 2.1 and 2.8 of the Takeovers Code to make a recommendation to the Qualifying Shareholders as to whether the Partial Offer is fair and reasonable and as to approval and acceptance taking into account the advice from the Independent Financial Adviser to the Independent Board Committee.

The Independent Financial Adviser has been appointed with the approval of the Independent Board Committee to advise the Independent Board Committee in respect of the Partial Offer and in particular as to whether the Partial Offer is fair and reasonable and as to approval and acceptance.

GENERAL

Your attention is drawn to the letter from Zheshang International and to Appendix I to this Composite Document and the accompanying Form of Approval and Acceptance for the principal terms and the acceptance and settlement procedures in relation to the Partial Offer.

LETTER FROM THE BOARD

Your attention is also drawn to (1) the letter from the Independent Board Committee in this Composite Document which contains the Independent Board Committee's advice to Qualifying Shareholders in respect of approval and acceptance of the Partial Offer and (2) the letter from the Independent Financial Adviser in this Composite Document which contains, among other things, the Independent Financial Adviser's advice to the Independent Board Committee in respect of the Partial Offer and principal factors and reasons considered by it in arriving at such advice.

Your attention is further drawn to the property valuation report as set out in Appendix III and the general information as set out in Appendix IV to this Composite Document.

Yours faithfully,
By Order of the Board
Hunlicar Group Limited
Chan Wing Sum
Executive Director



亨利加集團有限公司
HUNLICAR GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3638)

12 March 2025

To Qualifying Shareholders

Dear Sir or Madam,

**CONDITIONAL VOLUNTARY CASH PARTIAL OFFER BY
ZHESHANG INTERNATIONAL FINANCIAL HOLDINGS CO., LIMITED
ON BEHALF OF
TALENT VIRTUE INTERNATIONAL LIMITED
TO ACQUIRE A MAXIMUM OF
19,439,034 ISSUED SHARE CAPITAL OF HUNLICAR GROUP LIMITED
FROM QUALIFYING SHAREHOLDERS**

We have been appointed as members of the Independent Board Committee to advise you in respect of the Partial Offer, details of which are set out in the letter from Zheshang International and the letter from the Board in this Composite Document in relation to the Partial Offer jointly issued by the Company and the Offeror dated 12 March 2025, of which this letter forms part. Capitalised terms used in this letter have the same meanings as defined in this Composite Document unless the context requires otherwise.

Your attention is drawn to the letter from the Board, the letter from Zheshang International, Appendix I to this Composite Document and the accompanying Form of Approval and Acceptance containing the detailed terms of the Partial Offer, and the letter of advice from the Independent Financial Adviser in this Composite Document, which contains its advice and recommendation to us in respect of the Partial Offer, as well as the principal factors and reasons for its advice and recommendation.

RECOMMENDATION

Having considered the principal factors and reasons considered by, and the opinion of, the Independent Financial Adviser as stated in the letter from the Independent Financial Adviser in this Composite Document, we are of the opinion that the Partial Offer is fair and reasonable so far as the Independent Shareholders are concerned. We therefore recommend that (i) the Independent Shareholders **approve** the Partial Offer

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

signified by means of a separate tick box on the Form of Approval and Acceptance specifying the number of Shares in respect of which the Partial Offer is approved; and (ii) the Qualifying Shareholders **accept** the Partial Offer.

Those Qualifying Shareholders who, after considering the information on the Offeror and the future intentions of the Offeror regarding the Group, are attracted by the future prospects of the Group following the Partial Offer, may consider retaining their Shares or tendering less than all their Shares under the Partial Offer.

If acceptances are received in respect of more than 19,439,034 Shares, not all Shares tendered will be taken up under the Partial Offer, so Qualifying Shareholders who tendered their Shares under the Partial Offer will continue to hold some Shares in any event, unless they sell in the market. Some Shareholders, particularly those holding a small number of board lots, who are concerned about the drawbacks of being left with an odd lot, may consider selling their Shares in the market before the close of the Partial Offer to achieve a complete sale if the proceeds from such sale will exceed the aggregate of the consideration receivable from the acceptance of the Partial Offer and the value of the remaining Shares.

The procedures for acceptance of the Partial Offer are set out in Appendix I to the Composite Document and the accompanying Form of Approval and Acceptance. Qualifying Shareholders are urged to read the timetable set out in the Composite Document and any revised timetable (if any) to be announced by the Offeror and the Company carefully and act accordingly if they wish to approve and/or accept the Partial Offer.

Yours faithfully,
For and on behalf of the
Independent Board Committee
Hunlicar Group Limited

Mr Loo Hong Shing Vincent
Independent non-executive
Director

Mr Leung Wai Kwan
Independent non-executive
Director

Mr Lee Ka Leung Daniel
Independent non-executive
Director

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of a letter of advice from the Independent Financial Adviser to the Independent Board Committee in relation to the Partial Offer, which has been prepared for the purpose of inclusion in this Composite Document.



英皇企業融資
Emperor Corporate Finance

12 March 2025

To the Independent Board Committee and the Independent Shareholders of Hunlicar Group Limited

Dear Sirs,

**CONDITIONAL VOLUNTARY CASH PARTIAL OFFER BY
ZHESHANG INTERNATIONAL FINANCIAL HOLDINGS CO., LIMITED
ON BEHALF OF
TALENT VIRTUE INTERNATIONAL LIMITED
TO ACQUIRE A MAXIMUM OF
19,439,034 ISSUED SHARE CAPITAL OF HUNLICAR GROUP LIMITED
FROM QUALIFYING SHAREHOLDERS**

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Partial Offer, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the composite document dated 12 March 2025 (the “**Composite Document**”) jointly issued by Talent Virtue International Limited (the “**Offeror**”) and Hunlicar Group Limited (the “**Company**”, collectively with its subsidiaries as the “**Group**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Composite Document unless the context requires otherwise.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Reference is made to the Joint Announcement jointly issued by the Offeror and the Company relating to, among others, the Partial Offer. On 20 February 2025, the Offeror and the Company jointly announced that Zheshang International Financial Holdings Co., Limited, on behalf of the Offeror, would make a voluntary conditional cash partial cash offer to acquire a maximum of 19,439,034 issued share capital of the Company from Qualifying Shareholders at the Offer Price of HK\$4.50 per Offer Share.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee (comprising all the independent non-executive Directors, namely Mr Loo Hong Shing Vincent, Mr Leung Wai Kwan and Mr Lee Ka Leung Daniel who have no direct or indirect interest in the Partial Offer) has been established by the Company in accordance with Rule 2.1 and Rule 2.8 of the Takeovers Code to give a recommendation to the Independent Shareholders as to whether the terms of the Partial Offer are fair and reasonable, and as to approval and acceptance of the Partial Offer. We, Emperor Corporate Finance Limited (“**Emperor Corporate Finance**”), have been appointed by the Company as the Independent Financial Adviser in accordance with Rule 2.1 of the Takeovers Code to advise the Independent Board Committee in respect of the Partial Offer. Our appointment has been approved by the Independent Board Committee.

OUR INDEPENDENCE

As at the Latest Practicable Date, we were independent from and not connected to the Company or the Offeror, their respective substantial shareholders or any party acting, or presumed to be acting, in concert with any of them and, accordingly, are considered eligible to give independent advice on the Partial Offer to the Independent Board Committee and the Independent Shareholders.

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 Partial Offer, there were no other engagements between Emperor Corporate Finance and (i) the Group; (ii) the controlling shareholders of the Company; (iii) the Offeror; or (iv) the controlling shareholders of the Offeror, and their respective concert parties. During the past two years immediately preceding and up to the date of our appointment as the Independent Financial Adviser, Emperor Corporate Finance has no significant connection, financial, business or otherwise with (i) the Group; (ii) the controlling shareholders of the Company; (iii) the Offeror; or (iv) the controlling shareholders of the Offeror, and their respective concert parties.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As at the Latest Practicable Date, Emperor Corporate Finance does not have any interests in the shares, options, warrants or other equity related interests in (i) the Group; (ii) the controlling shareholders of the Company; (iii) the Offeror; or (iv) the controlling shareholders of the Offeror, and their respective concert parties.

Apart from the normal advisory fee payable to us in connection with our appointment as the Independent Financial Adviser to advise the Independent Board Committee, no arrangement exists whereby we shall receive any other fees or benefits from the Offeror and the Company or any of their respective substantial shareholders or any person acting, or deemed to be acting, in concert with any of them. Accordingly, we are considered eligible to give independent advice on the Partial Offer.

BASIS AND ASSUMPTIONS OF OUR ADVICE

In formulating our advice, we have relied on the statements, information, opinions and representations contained or referred to in the Composite Document and the information and representations provided to us by the Group, the Directors and/or senior management of the Company (the “**Management**”). We have assumed that all information, representations and opinions contained or referred to in the Composite Document or made, given or provided to us by the Company, the Directors and the Management, for which they are solely and wholly responsible, were true and accurate and complete in all material respects at the time when they were made and continue to be so as at the Latest Practicable Date. We have assumed that all the opinions and representations made by the Directors in the Composite Document have been reasonably made after due and careful enquiry. The Directors and the Management confirmed that to their knowledge after making reasonable enquires, no material facts have been omitted from the information provided and referred to in the Composite Document. In addition, pursuant to the Listing Rules, we have taken reasonable steps to enable ourselves to reach an informed view so as to provide a reasonable basis for our opinion, which included, among others, review of (i) the Joint Announcement; (ii) the Composite Document; (iii) the annual report of the Company for the year ended 31 March 2024 (the “**2024 Annual Report**”); (iv) the interim report of the Company for the six months ended 30 September 2024 (the “**2024 Interim Report**”); (v) the positive profit alert announcements of the Company dated 5 June 2024 and 20 November 2024; and (vi) other information obtained from the public domain.

We have not, however, carried out any independent verification of the information provided, nor have we conducted any independent investigation into the financial position, business and affairs of the Group, and, where applicable, their respective shareholder(s) and subsidiaries or affiliates, and their respective history, experience and track records, or the prospects of the markets in which they respectively operate. We consider that we have

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

been provided with sufficient information to enable us to reach an informed view and to provide a reasonable basis for our advice. We have no reason to doubt the truth, accuracy and completeness of the statements, information, opinions and representations provided to us by the Group, the Directors and/or the Management and their respective advisers or to believe that material information has been withheld or omitted from the information provided to us or referred to in the aforesaid documents. The Shareholders will be notified of any material changes to such information and representations as well as the content of this letter as soon as possible in accordance with Rule 9.1 of the Takeovers Code.

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

This letter is issued for the information of the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Partial Offer, and except for its inclusion in this Composite Document, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

PRINCIPAL TERMS OF THE PARTIAL OFFER

As stated in the “Letter from Zheshang International”, Zheshang International, on behalf of the Offeror, is making a conditional voluntary cash partial offer to acquire a maximum of 19,439,034 Shares in the issued share capital of the Company (representing 25.11% of the Company’s issued share capital as at the Latest Practicable Date). The Partial Offer will be made by Zheshang International, for and on behalf of the Offeror, in compliance with the Takeovers Code on the basis set out below:

For each Offer Share HK\$4.50 in cash

Pre-Condition to the Partial Offer

As stated in the Joint Announcement, the making of the Partial Offer was subject to the obtaining of the consent from the Executive in respect of the Partial Offer pursuant to Rule 28.1 of the Takeovers Code. The Pre-Condition is not waivable. If the Pre-Condition is not satisfied, the Partial Offer will not be made.

On 28 February 2025, the Offeror obtained the consent from the Executive for the making of the Partial Offer pursuant to Rule 28.1 of the Takeovers Code.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Conditions to the Partial Offer

The Partial Offer is subject to the fulfilment of the following Conditions:

- (i) valid acceptances being received in respect of the Minimum Number of Offer Shares (i.e. 15,567,034 Offer Shares) and which would result in the Offeror and parties acting in concert with it holding the interest in more than 50% of the Shares in issue at or before 4:00 p.m. (Hong Kong time) on the First Closing Date (or such later date as the Offeror may decide and the Executive may approve), provided that the Offeror shall purchase from the Qualifying Shareholders as many Offer Shares as are tendered by the Qualifying Shareholders up to the Maximum Number of Offer Shares (i.e. 19,439,034 Offer Shares); and
- (ii) approval of the Partial Offer pursuant to Rule 28.5 of the Takeovers Code by the shareholders holding over 50% of the Shares not held by the Offeror and parties acting in concert with it, signified by means of a separate tick box on the Form of Approval and Acceptance specifying the number of Shares in respect of which the Partial Offer is approved.

In the event that valid acceptances are received:

- (i) for less than the Minimum Number of Offer Shares by the First Closing Date, unless the First Closing Date is extended in accordance with the Takeovers Code, the Partial Offer will not proceed and will lapse immediately; and
- (ii) for not less than the Minimum Number of Offer Shares and which would result in the Offeror and parties acting in concert with it holding the interest in more than 50% of the Shares in issue on or before the First Closing Date, the Offeror will declare the Partial Offer unconditional as to acceptances on or before the First Closing Date.

Pursuant to Rule 15.1 of the Takeovers Code, the Partial Offer must initially be open for acceptance for at least 21 days after the Despatch Date.

Pursuant to Rule 15.3 of the Takeovers Code, where a conditional offer becomes or is declared unconditional (whether as to acceptances or in all respects), it should remain open for acceptance for not less than 14 days thereafter. Pursuant to Rule 28.4 of the Takeovers Code, if the Partial Offer has been declared unconditional as to acceptances on the First Closing Date, the Offeror cannot extend the Final Closing Date to a day beyond the 14th day after the First Closing Date.

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Accordingly, if the Partial Offer is declared unconditional in all respects on or before the 7th day after the Despatch Date, then the Final Closing Date would be on (but no earlier than) the First Closing Date. If the Partial Offer is declared unconditional in all respects later than the 7th day after the Despatch Date, then the Final Closing Date would be the 14th day after the date of such declaration

Further announcement(s) will be made as and when appropriate in relation to the revision, extension or lapse of the Partial Offer (as the case may be), or the fulfilment of the Conditions of the Partial Offer, in accordance with the requirements of the Takeovers Code.

Pursuant to Rule 28.6 of the Takeovers Code, since the Offeror and parties acting in concert with it will be holding more than 50% of the voting rights of the Company if the Partial Offer becomes unconditional in all respects and full valid acceptances of the Partial Offer are received, the Offeror and parties acting in concert with it will then be free to acquire further voting rights in the Company without incurring any obligation to make a general offer subject to Rule 28.3 of the Takeovers Code (that is, the Offeror and parties acting in concert with it (including any other person who is subsequently acting in concert with it) may not acquire voting rights in the Company during the 12-month period immediately following the end of the Offer Period, except with the consent of the Executive).

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation with regard to the Partial Offer, we have taken into account the following principal factors and reasons:

1. Background and Financial Information of the Group

1.1 Principal business

The Company is a company incorporated in the Cayman Islands with limited liabilities and its shares are listed on the Main Board of the Stock Exchange (stock code: 3638). The Group is principally engaged in (i) computer and electronic products trading business (including computer and peripheral products and electronics products business), (ii) food trading business, (iii) financial services business (including securities brokerage business, advisory services business and money lending business) and (iv) family office services business.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

1.2 Historical Financial Information

(i) Summarised Consolidated Income Statements of the Group

Set out below is a summary of the audited consolidated financial results of the Group for the two years ended 31 March 2023 and 31 March 2024 (“FY2023” and “FY2024”, respectively) as extracted from the 2024 Annual Report, and the unaudited consolidated financial results of the Group for the six months ended 30 September 2023 and 30 September 2024 (“6M2023” and “6M2024”, respectively) as extracted from the 2024 Interim Report.

| | 6M2024 | 6M2023 | FY2024 | FY2023 |
|---|-----------------|-----------------|-----------------|------------------|
| | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> |
| | (unaudited) | (unaudited) | (audited) | (audited) |
| Revenue Breakdown | | | | |
| — Computer and electronic products trading business | 89,570 | 141,035 | 248,840 | 426,324 |
| — Food trading business | 34,291 | 55,642 | 107,001 | 24,892 |
| — Financial services business | 38,706 | 643 | 1,270 | 5,349 |
| — Family office services business ^{Note} | 7,196 | — | — | — |
| Total Revenue | 169,763 | 197,320 | 357,111 | 456,565 |
| Gross Profit/(loss) | 54,014 | (6,165) | 14,204 | 5,908 |
| Reversal of expected credit loss/ (expected credit loss) on financial assets, net | 2,902 | (9,167) | 53,962 | (59,730) |
| Impairment of goodwill | — | — | — | (3,391) |
| Profit/(loss) for the year/period | 3,852 | (42,220) | 11,027 | (129,974) |
| Profit/(loss) attributable to: | | | | |
| — Owners of the Company | 1,143 | (32,913) | 14,759 | (127,605) |
| — Non-controlling interests | 2,709 | (9,307) | (3,732) | (2,369) |

Note: The Group commenced its family office service business in 2024 with a view to serving ultra-high-net-worth individuals and families.

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Financial Performance for the FY2023 and the FY2024

As set out in the 2024 Annual Report, the Group recorded a total revenue of approximately HK\$357.1 million, representing a decrease of approximately 21.8% from approximately HK\$456.6 million in the FY2023. The decrease was mainly attributable to the decrease in revenue derived from computer and electronic products trading business as a result of the unprecedented challenges and uncertainties on the overall trading business environment. The Group recorded an overall gross profit of approximately HK\$14.2 million, representing an increase of approximately 140.4% from approximately HK\$5.9 million in the FY2023. Gross profit margin for the FY2024 was approximately 4.0% (the FY 2023: gross profit margin of approximately 1.3%). Increase in gross profit margin was mainly caused by the relatively higher gross profit earned from food trading business for the FY2024.

The Group recorded a profit for the FY2024 of HK\$11.0 million, representing a turnaround as compared to a loss for the period of approximately HK\$130.0 million for the FY2023. The turnaround was primarily attributed to (i) the increase in overall gross profit of the Group; (ii) the net reversal of expected credit loss on financial assets of approximately HK\$54.0 million for FY2024 as compared to the net expected credit loss on financial assets of approximately HK\$59.7 million for FY2023 which was mainly due to (a) the decrease in provision for expected credit loss allowance on the Group's account receivables and (b) the reversal of expected credit loss on loan receivables of the Group; and (iii) the absence of impairment loss of goodwill for the FY2024.

Financial Performance for the 6M2023 and the 6M2024

As set out in the 2024 Interim Report, the Group recorded a total revenue of approximately HK\$169.8 million in the 6M2024, representing a decrease of approximately 14.0% from approximately HK\$197.3 million in the 6M2023. The decrease was mainly attributable to decrease in revenue derived from computer and electronic products trading business and food trading business which was partially offset by the increase in revenue derived from financial services business and family office services business. The Group recorded an overall gross profit of approximately HK\$54.0 million, representing a turnaround from a gross loss of approximately HK\$6.2 million in the 6M2023. Gross profit margin for the 6M2024 was approximately 31.8% (the 6M2023: gross loss margin of approximately

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| LETTER FROM THE INDEPENDENT FINANCIAL ADVISER |
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3.1%). Increase in gross profit margin was mainly caused by the relatively higher gross profit earned from financial services business and family office services business for the 6M2024.

The Group recorded a profit for the period of HK\$3.9 million, representing a turnaround as compared to a loss for the period of approximately HK\$42.2 million for the 6M2023. The turnaround was primarily attributed to (i) the increase in the profits from the sales of computer and electronic products due to a shift of product mix; (ii) the transition from losses to profits in the financial services segment, driven by a surge in market activity and positive sentiment; and (iii) the generation of profit from services related to family office business.

(ii) Summarised Consolidated Statements of the Financial Position of the Group

Set out below is the summary of the audited consolidated assets and liabilities of the Group as at 31 March 2024 and 30 September 2024 as extracted from the 2024 Interim Report.

| | As at 30 September 2024 | As at 31 March 2024 |
|------------------------------------|--|------------------------------------|
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| | (unaudited) | (audited) |
| Non-current assets | 237,543 | 243,319 |
| Current Assets | 254,116 | 234,840 |
| Total Assets | 491,659 | 478,159 |
| | | |
| Non-current liabilities | 4,654 | 6,641 |
| Current liabilities | 207,895 | 192,279 |
| Total liabilities | 212,549 | 198,920 |
| | | |
| Net assets | 279,110 | 279,239 |
| | | |
| Net assets attributable to: | | |
| — Owners of the Company | 280,136 | 282,974 |
| — Non-controlling interests | (1,026) | (3,735) |

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We noted from the 2024 Interim Report that the Group recorded net assets attributable to owners of the Company of approximately HK\$280.1 million as at 30 September 2024 compared to approximately HK\$283.0 million as at 31 March 2024.

Total assets of the Group amounted to approximately HK\$491.7 million as at 30 September 2024 and approximately HK\$478.2 million as at 31 March 2024, respectively. As at 30 September 2024, total assets of the Group mainly comprised of (i) cash and cash equivalents of approximately HK\$49.4 million as at 30 September 2024 compared to approximately HK\$67.7 million as at 31 March 2024; (ii) bank balances held on behalf of clients of approximately HK\$31.4 million as at 30 September 2024 compared to approximately HK\$6.3 million as at 31 March 2024; (iii) loan receivables of approximately HK\$27.2 million as at 30 September 2024 compared to approximately HK\$14.9 million as at 31 March 2024; (iv) account receivables of approximately HK\$121.2 million as at 30 September 2024 compared to approximately HK\$115.4 million as at 31 March 2024; and (v) property, plant and equipment of approximately HK\$194.9 million as at 30 September 2024 compared to approximately HK\$198.3 million as at 31 March 2024.

Total liabilities of the Group amounted to approximately HK\$212.5 million as at 30 September 2024 and approximately HK\$198.9 million as at 31 March 2024, respectively. As at 30 September 2024, total liabilities of the Group mainly comprised of (i) account payables of approximately HK\$82.5 million as at 30 September 2024 compared to approximately HK\$60.4 million as at 31 March 2024; (ii) lease liabilities of approximately HK\$7.7 million as at 30 September 2024 compared to approximately HK\$9.7 million as at 31 March 2024; (iii) borrowings of approximately HK\$102.5 million as at 30 September 2024 compared to approximately HK\$122.9 million as at 31 March 2024; and (iv) other payables and accrued expenses of approximately HK\$17.9 million as at 30 September 2024 compared to approximately HK\$5.1 million as at 31 March 2024.

As at 30 September 2024, the current ratio was approximately 1.2 (calculated by dividing the total current assets by the total current liabilities).

1.3 Property Valuation

The valuation report (the “**Valuation Report**”) prepared by RHL Appraisal Limited (the “**Valuer**”) relating to the valuation (the “**Valuation**”) of property interests held by the Group (the “**Properties**”) as at 28 February 2025 is set out in Appendix III to this Composite Document.

For our due diligence purpose, we have reviewed and enquired into the qualifications and experience of the Valuer in relation to the preparation of the Valuation Report. We have also obtained information on the Valuer’s track records on other property valuations and are of the view that the Valuer are qualified, experienced and competent in performing property valuations and providing a reliable opinion in respect of the valuation of the Properties.

We have also enquired with the Valuer as to their independence and were given to understand that the Valuer is an independent third party of the Company and the Offeror and their respective concert parties. The Valuer also confirmed to us that they were not aware of any relationship or interest between themselves and the Group or any other parties that would reasonably be considered to affect their independence to act as the independent valuer for the Company. As noted in the Valuation Report, in valuing the Properties, the Valuer has complied with all requirements contained in Chapter 5 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong and the International Valuation Standards.

We have reviewed the Valuation Report and discussed with the Valuer, among others, the bases and assumptions and the methodology adopted, and the major procedures performed by the Valuer for the Valuation. With reference to the Valuation Report, the Properties consist of office units and parking spaces located in Hong Kong. Following discussions with the Valuer, we noted that the Valuer has adopted direct comparison method. As advised by the Valuer, such method is commonly adopted for valuing properties of similar nature as the Properties. Based on our discussion with the Valuer and our review of the Valuation Report, we consider the principal bases and assumptions adopted by the Valuer in respect of the Valuation are appropriate.

1.4 Unaudited Adjusted Net Asset Value

In evaluating the Partial Offer, we have taken into account the adjusted unaudited consolidated net asset value attributable to Shareholders as set out under the section headed “**UNAUDITED ADJUSTED NET ASSET VALUE**” in Appendix II to this Composite Document, which is calculated based on the adjusted unaudited

consolidated net asset value attributable to Shareholders of approximately HK\$224.1 million as at 30 September 2024 (taking into account the valuation of the Properties as at 30 September 2024 as set out in Appendix III to this Composite Document) and 77,423,775 Shares in issue as at the Latest Practicable Date. The adjusted unaudited consolidated net asset value per Share attributable to Shareholders was approximately HK\$2.89 per Share after taking into account the property valuation as set out in Appendix III to this Composite Document. The Offer Price of HK\$4.5 per Offer Share represents a premium of approximately 55.71% over such adjusted unaudited consolidated net asset value per Share attributable to Shareholders. Further analysis of this is set out in the section headed “4. Evaluation of the Offer Price” below.

2. Business Prospects of the Group

Reference is made to “*Principal Factors and Reasons Considered – 1. (b)(i) Summarised Consolidated Income Statements of the Group – Revenue Breakdown*” in this letter. The Group principally operates in four major business segments, namely (i) computer and electronic products trading business; (ii) food trading business; (iii) financial services business; and (iv) family office services business.

2.1 Computer and Electronic Products Trading Business

As set out in the 2024 Annual Report and 2024 Interim Report, the computer and electronic products trading business of the Company has been facing unprecedented challenges and uncertainties in the overall economic and business environment due to rising interests rates by major economies, ongoing trade disputes between the People’s Republic of China (“**PRC**”) and the United States, and geopolitical tensions in various regions. Attributed to these market conditions, the Group’s overall revenue in this business segment decreased by approximately HK\$177.5 million from approximately HK\$426.3 million in the FY2023 to approximately HK\$248.8 million in the FY2024, representing a decrease of approximately 41.6%. The Group also recorded a segment loss of approximately HK\$22.2 million for FY2024 (FY2023: segment loss of approximately HK\$22.5 million). Revenue in this business segment decreased by approximately HK\$51.5 million from approximately HK\$141.0 million in the 6M2023 to approximately HK\$89.6 million in the 6M2024, representing a decrease of approximately 36.5%.

In the face of such difficult market conditions, as set out in the 2024 Interim Report, the Group intends to improve its operational efficiency and implement various cost-control measures. Additionally, the Group shall strengthen its long-term and close business relationships with suppliers and customers. Despite the fact that the Group recorded a segment profit of approximately HK\$3.6 million for the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

6M2024 (6M2023: segment loss of approximately HK\$28.5 million), the future prospects of the Group still depends on the Group's ability to enhance its competitiveness by taking prompt and appropriate actions to adjust business strategies, and allocating resources effectively under diverse market conditions.

With regards to the demand for electronic products, the Group are optimistic about the future development of the electronic and semiconductor industry in which the Group operates and is confident in the mid-to-long-term recovery of the Mainland market. The rapid expansion of 5G infrastructure, growing adoption of cloud computing, recovery of supply chains and supportive fiscal policies serve as key contributors to the market's growth in the Mainland market. We noticed that, on 13 January 2025, the Ministry of Commerce together with four other departments issued "the Implementation Plan for New Subsidies for the Purchase of Mobile Phones, Tablets, and Smartwatches (Smart bands)*" (《手機、平板、智能手錶(手環)購新補貼實施方案》, the "**Implementation Plan**"). Under the Implementation Plan, individual consumers will receive a subsidy of 15% for the purchase of selected type of digital products (namely mobile phones, tablets and smartwatches (bands)), subject to a maximum of RMB500 subsidy for each product type per person. The Implementation Plan promoted the digitalisation of economy and provided a favourable environment for manufacturers of digital devices. With policies such as the Implementation Plan, the Group believes that there would be significant opportunities in the electronics and semiconductor industry and the supporting businesses in the PRC.

2.2 Food Trading Business

As set out in the 2024 Annual Report and 2024 Interim Report, the Group acquired companies principally engaged in the trading of frozen food products and provision of fish processing and preserving services in 2023 with an aim to expands the Group's trading business layout to meet the ever-changing demands which are crucial in facing market uncertainty. The Group recorded a revenue of approximately HK\$107.0 million in the FY2024 (FY2023: approximately HK\$24.9 million) and a segment profit of approximately HK\$2.3 million in the FY2024 (FY2023: approximately HK\$1.5 million). However, the revenue in food trading business decreased by approximately HK\$21.3 million from approximately HK\$55.6 million in the 6M2023 to approximately HK\$34.3 million in the 6M2024, representing a decrease of approximately 38.3%. The Group also recorded a segment loss of approximately HK\$4.5 million in the 6M2024 (the 6M2023: segment profit of approximately HK\$5.3 million).

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As the local restaurant sector is struggling after the pandemic, it remains uncertain on the prospect of the food trading industry. According to the figures released by the Hong Kong Census and Statistics Department¹, despite the local restaurant sector's receipts for 2023 experienced a significant growth of approximately 26.1%, it remained stagnant for 2024 and recorded a slight decrease of approximately 0.1% as compared to that for 2023. Coupling with the decrease in local consumption due to Hong Kong residents traveling to the mainland, the business environment outlook of the Group's trading business remain uncertain.

2.3 Financial Services Business

The financial services business segment that the Group operates mainly includes securities brokerage business, advisory services business and money lending business. For the FY2024, the Group recorded an overall segment revenue of approximately HK\$1.3 million (the FY2023: approximately HK\$5.3 million) and a segment profit of approximately HK\$52.1 million (the FY2023: segment loss of approximately HK\$62.9 million). The Group recorded an overall segment revenue of approximately HK\$38.7 million (the 6M2023: approximately HK\$0.6 million) and a segment profit of approximately HK\$13.0 million in the 6M2024 (the 6M2023: segment loss of approximately HK\$9.6 million).

According to the Monthly Market Highlights published by the Stock Exchange of Hong Kong Limited², the average daily turnover in December 2024 was HK\$142.0 billion, representing an increase of 44% from the HK\$98.6 billion for the same period the year before. Despite the uncertainties over the global economy outlook such the geopolitical tensions, the Group will maintain its prudent approach to mitigate risks and ensure stable business development.

2.4 Family Office Services Business

The Group commenced its family office service business in 2024 with a view to serving ultra-high-net-worth individuals and families in Greater China. Segment revenue and segment profit from this new family office services business amounted to approximately HK\$7.2 million and HK\$4.7 million respectively for the 6M2024.

¹ Census and Statistics Department. *Total Restaurant Receipts and Restaurant Purchases*. Available at: <https://www.censtatd.gov.hk/en/web_table.html?id=88>

² The Stock Exchange of Hong Kong Limited. *HKEX Monthly Market Highlights*. Available at: <https://www.hkex.com.hk/Market-Data/Statistics/Consolidated-Reports/HKEX%20Monthly-Market-Highlights?sc_lang=en&select=%7B6EA87B6C-938A-48B1-8CDA-6960712E4C54%7D>

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The Hong Kong government outlined in its Policy Address 2024 initiatives to develop the family office sector, including creating new distribution channels for private equity funds through the Hong Kong Exchange and fostering collaborations with sovereign wealth funds from various regions. Riding on the favourable policy environment, as set out in the 2024 Annual Report, the Group aims to provide exclusive financial services and financial support for family offices, such as wealth management, investment consulting, tax planning, etc., to help family offices effectively manage and increase family wealth.

3. Background and Intention of the Offeror and reasons for the Partial Offer

3.1 Background Information of the Offeror

As stated in the “Letter from Zheshang International”, the Offeror is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. The sole shareholder and sole director of the Offeror is Mr Cheung, who is also the chairman of the Company.

The Offeror and parties acting in concert with it held 23,144,966 Shares, representing approximately 29.89% of the existing issued share capital in the Company as at the Latest Practicable Date.

3.2 Proposed Arrangement to the Board Composition of the Company

As set out in the “Letter from Zheshang International”, with the completion of the Partial Offer, the Offeror intends that the Company will continue its existing business and the employment of employees of the Group in their ordinary courses. The Offeror has no intention to introduce any major changes in the business of the Company and any redeployment of the fixed assets of the Company. However, the Offeror will continue to review the Group’s business and operations from time to time, and it reserves the right to make any changes that it deems necessary or appropriate to the Group’s business and operations to optimise the value of the Group.

The Offeror intends to maintain the listing status of the Shares on the Stock Exchange upon completion of the Partial Offer.

3.3 Reasons for the Partial Offer and Intention of the Offeror

As set out in the “Letter form Zheshang International”, Mr Cheung has been appointed as the Director and Chairman of the Company since 2 July 2024. Mr Cheung is a seasoned professional with over 30 years of management experience in

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investment on securities, wealth management, asset management and financial products. Mr Cheung is a substantial shareholder of the Company and directly and indirectly held in aggregate 23,144,966 Shares, representing approximately 29.89% of the issued share of the Company.

Leveraging on the Hong Kong's long-standing reputation as an international financial center and Hong Kong's strategic initiatives to be one of the premier destinations for global family offices, Mr Cheung is optimistic about the growth momentum of the financial services segment and the family office service and related business the Group operates and the opportunities available to the Group.

Upon the close of the Partial Offer, it is expected that Mr Cheung will (through his interest and interest in the Offeror) hold not less than 50% and up to 55% of the total issued Shares of the Company. The Partial Offer represents an opportunity for Mr Cheung to increase his investment in the Company and align the interests of Mr Cheung with the Group through his equity shareholding in the Company. This also demonstrates his confidence and commitment to the Group.

3.4 Public Float and Intention of the Offeror to Maintain the Listing of the Company

As at the Latest Practicable Date, the Company had a public float of approximately 57.35% of the Shares in issue. Assuming (i) full acceptances of the maximum number of the Offer Shares under the Partial Offer by the Qualifying Shareholders and (ii) that there are no changes to the issued share capital of the Company between the Latest Practicable Date and up to the Final Closing Date, the Company will have a public float of 32.24% of the Shares in issue immediately following the close of the Partial Offer (being 57.35% minus 25.11%, assuming the full and maximum amount of the Offer Shares are tendered for acceptance by the public shareholders as at the Latest Practicable Date). Accordingly, the number of Shares in public hands will continue to meet the 25% minimum public float requirement under the Rule 8.08 of the Listing Rules. The Offeror intends the Shares to remain listed on the Stock Exchange.

3.5 Our view

Having considered that the Offeror is intended to continue with the Group's existing principal business and the Offeror has no intention to (i) any major changes to the existing business and operation of the Group; (ii) discontinue the employment of any employees of the Group or to make significant changes to any employment; or (iii) dispose of or re-deploy the fixed assets of the Company other than those in its

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ordinary and usual course of business, we expect that there would not be substantial change in the principal business activities of the Group as a direct result of the Partial Offer.

4. Evaluation of the Offer Price

4.1 Comparison of the Offer Price against Historical Share Prices

The Offer Price of HK\$4.50 per Offer Share represents:

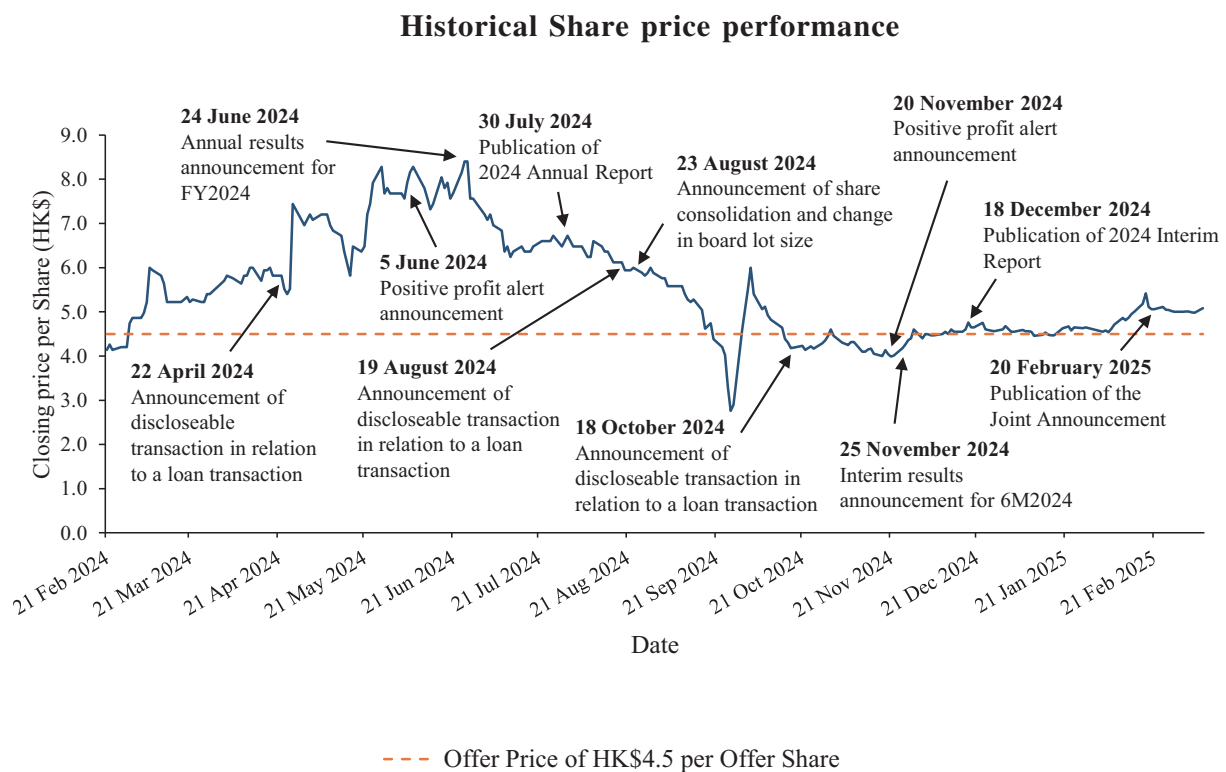
- (i) a discount of approximately 11.24% to the closing price of HK\$5.0700 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 11.07% to the closing price of HK\$5.0600 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 12.69% to the average closing price of HK\$5.1540 per Share, being the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 9.95% to the average closing price of HK\$4.9970 per Share, being the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day;
- (v) a premium of approximately 23.29% over the audited consolidated net asset value per Share attributable to Shareholders of approximately HK\$3.65 as at 31 March 2024, calculated based on the audited consolidated net asset value attributable to Shareholders of approximately HK\$282,974,000 as at 31 March 2024 and 77,423,775 Shares in issue as at the Latest Practicable Date;
- (vi) a premium of approximately 24.31% over the unaudited consolidated net asset value per Share attributable to Shareholders of approximately HK\$3.62 as at 30 September 2024, calculated based on the unaudited consolidated net asset value attributable to Shareholders of approximately HK\$280,136,000 as at 30 September 2024 and 77,423,775 Shares in issue as at the Latest Practicable Date; and

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(vii) a premium of approximately 55.71% over the adjusted unaudited consolidated net asset value per Share attributable to Shareholders of approximately HK\$2.89 as at 30 September 2024, which the adjusted unaudited consolidated net asset value per Share attributable to Shareholders is set out under the section headed “UNAUDITED ADJUSTED NET ASSET VALUE” in Appendix II to this Composite Document.

4.2 Our Analysis on Historical Share Price Performance

In order to assess the fairness and reasonableness of the Offer Price, we have reviewed the movements in the closing price per Share during the period from 21 February 2024, being 12 months immediately preceding the Last Trading Day, to the Latest Practicable Date (the “**Share Price Review Period**”), which is commonly adopted for share price analysis. We consider that a period of 12 months is adequate and long enough to illustrate the recent price movements and covered the seasonal factors of the Shares for conducting a reasonable comparison between the Offer Price and the closing price of the Shares for assessing the reasonableness and fairness of the Offer Price.



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Although there were 201 trading days out of 257 trading days that the closing price per Share was higher than the Offer Price during the Share Price Review Period, the closing price per Share has been on a decreasing trend in general from the closing price of HK\$8.40 per Share on 25 June 2024 to the closing price of HK\$2.76 per Share on 26 September 2024 as illustrated in the above chart. Then, the closing price of the Share remained relatively stable between HK\$4.00 and HK\$5.00 from 9 October 2024 and up to the Last Trading Day after a sudden surge to HK\$6.00 on 3 October 2024 which, as advised by the Management, the Company is not aware of any reason for such surge in price. During the Share Price Review Period, the highest closing price per Share is HK\$8.40 on 25 June 2024 and 26 June 2024 and the lowest closing price per Share is HK\$2.76 on 26 September 2024.

Since the commencement of the Share Price Review Period (i.e. 21 February 2024) and up to the trading day immediately before the date of the publication of annual results for FY2024 (i.e. 21 June 2024), the closing price per Share was in a general increasing trend and has been increased from HK\$4.10 per Share to HK\$7.68 per Share. Subsequently from the publication of the annual results announcement for FY2024 (i.e. 24 June 2024), the closing price per Share generally experienced a downward trend and reached the lowest of HK\$2.76 per Share on 26 September 2024. The Share price of the Company then experienced with a sudden and temporary surge to HK\$6.00 on 3 October 2024 and subsequently decreased to HK\$4.18 on 17 October 2024. Based on our discussion with the Management, the Company is not aware of any reason for such surge in price. Then, the Share price of the Company remained relatively stable at approximately HK\$4.00 to HK\$5.00 per Share from mid-October 2024 to January 2025. From 3 February 2025, the closing price per Share experienced a slightly increasing trend from HK\$4.55 per Share and reached HK\$5.06 on the Last Trading Day. We have made enquired with the Management and were advised that save for the publication of announcements of the Company as described above chart, the Directors were not aware of any specific reasons which may have an impact of the fluctuations of Share prices during the Share Price Review Period.

During the period under review from 21 February 2025, being the first trading day immediately after the Last Trading Day, up to and including the Latest Practicable Date (the “**Post-Announcement Period**”), the Offer Price of HK\$4.5 per Offer Share represents (i) a discount of approximately 9.64% to the lowest closing price of HK\$4.98 per Share; (ii) a discount of approximately 11.94% to the highest closing price of HK\$5.11 per Share during the Post-Announcement Period. We

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believe that the aforesaid recent increase in the Share prices was likely linked to the market reaction to the Joint Announcement, which might be a temporary and unsustainable market reaction to the Partial Offer.

Although the Offer Price itself represents a discount of approximately 18.48% to the average closing price of approximately HK\$5.520 per Share during the Share Price Review Period, having considered that (i) the Offer Price is within the range of closing prices per Share during the Share Price Review Period; (ii) excluding the temporary price increase likely driven by market reaction to the Joint Announcement, the recent closing prices per Share have remained relatively stable within the range of HK\$4.0 to HK\$5.0, which is substantially lower than the highest closing price of HK\$8.40 during the Share Price Review Period; and (iii) despite the Shares had traded above the Offer Price during the majority of the Share Price Review Period, the trading price of the Shares had fluctuated narrowly around the Offer Price since November 2024 (excluding the recent increase during the Post-Announcement Period) and may not sustain at a level higher than the Offer Price during and after the Offer Period in view of the uncertainties over the Group's business prospect as mentioned in the above section headed "2. Business Prospects of the Group", we consider that the Offer Price is fair and reasonable so far as the Independent Shareholders are concerned.

Given the closing price of the Shares has remained to be fluctuated at a level close to the Offer Price since the publication of the Joint Announcement and up to the Latest Practicable Date, should the Shares continue to trade above the Offer Price, the Independent Shareholders may dispose of their Shares in the open market at a higher price than the Offer Price instead of accepting the Offer. The Independent Shareholders should consider the overall perspective of the various factors contained in different sections of this letter before making their decision on the acceptance of the Offer.

Independent Shareholders should note that the information set out above is not an indicator of the future performance of the Shares and that the price of the Shares may increase or decrease from its closing price after the Latest Practicable Date.

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4.3 Our Analysis on Historical Trading Volume and Liquidity

We have also reviewed the historical trading volume of the Shares during the Share Price Review Period. The total volume of the Shares traded, number of trading days, average daily trading volume of the Shares and the percentages of average daily trading volume of the Shares as compared to the total number of issued Shares and the Shares to public float of the Company during the Share Price Review Period are shown in the table below.

| Period/month | Total volume of the Shares traded (Shares) | Number of trading days (days) | Average daily trading volume (Shares) (Note 1) | % of average daily trading volume over total number of issued Shares % (Note 2) | % of the monthly total trading volume of the Shares to public float of the Company % (Note 3) |
|---|---|---|--|--|---|
| 2024 | | | | | |
| February (from 21 February 2024) | 1,798,100 | 7 | 256,871 | 0.325% | 0.579% |
| March | 1,807,000 | 20 | 90,350 | 0.114% | 0.203% |
| April | 11,846,200 | 20 | 592,310 | 0.750% | 1.334% |
| May | 2,585,700 | 21 | 123,129 | 0.156% | 0.277% |
| June | 1,245,500 | 19 | 65,553 | 0.083% | 0.148% |
| July | 1,511,300 | 22 | 68,695 | 0.087% | 0.155% |
| August | 767,267 | 22 | 34,876 | 0.044% | 0.079% |
| September | 24,844,566 | 19 | 1,307,609 | 1.689% | 2.945% |
| October | 3,612,899 | 21 | 172,043 | 0.222% | 0.387% |
| November | 3,460,300 | 21 | 164,776 | 0.213% | 0.371% |
| December | 3,399,000 | 20 | 169,950 | 0.220% | 0.383% |
| 2025 | | | | | |
| January | 2,444,950 | 19 | 128,682 | 0.166% | 0.290% |
| February | 6,265,367 | 20 | 313,268 | 0.405% | 0.706% |
| March (up to and including the Latest Practicable Date) | 617,100 | 6 | 102,850 | 0.133% | 0.232% |

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

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Notes:

1. Average daily trading volume is calculated by dividing the total trading volume for the month/period by the number of trading days in the respective month/period.
2. The calculation is based on the average daily trading volume of the Shares divided by the total number of Shares in issue at the end of each month/period.
3. The calculation is based on the average daily trading volume of the Shares divided by the total number of Shares in issue held by public Shareholders at the Latest Practicable Date.
4. The Company has conducted a share consolidation on 26 September 2024. For avoidance of doubt, relevant information from 26 September 2024 up to the Latest Practicable Date represents the historical Share trading record of the Company after the share consolidation. Please refer to the announcements of the Company dated 23 August 2024 and 26 September 2024 and the next day disclosure return published on 27 September 2024, for details of the share consolidation.

As set out in the table above, during the Share Price Review Period, the percentage of average daily trading volume of the Shares for the respective month/period were in the range from the lowest of approximately 0.044% to the highest of approximately 1.689% with an average of approximately 0.329% as to the total number of issued Shares at the end of the respective month/period.

If only Shares held by public Shareholders (the “**Free Float Shares**”) are considered in calculating the percentage of average daily trading volume of the Shares for the respective month/period under the Share Price Review Period, the average trading volume of the Free Float Shares during the Share Price Review Period ranged from the lowest of approximately 0.079% to the highest of approximately 2.945%, with an average daily trading volume of approximately 0.578% of the total number of Free Float Shares.

During the Share Price Review Period and before the Last Trading Date, we noted that the average daily trading volume of the Shares in September 2024 were relatively high as compared to that of the rest of the other months. We have enquired with the Management regarding the relatively high trading volume of the Shares comparing to that of the rest of the other months during the Share Price Review Period and we were advised that the Company is not aware of any particular reason that led to the higher trading volume of the Shares.

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Taking into account the fact that the average daily trading volume of the Shares during the Share Price Review Period was approximately 0.329% of the total number of issued Shares and approximately 0.578% of the public float of the Company, we are of the view that the trading volume of Shares can be considered as low, and in normal circumstances, if the Independent Shareholders are to dispose of a large number of Shares in the market, it may exert downward pressure on the market price of Shares.

Given the overall thin historical trading volume of the Shares during the Share Price Review Period, the Independent Shareholders (especially those with relatively sizeable shareholdings) may find it difficult to dispose of a large volume of Shares in the open market at a fixed cash price within a short period of time without exerting downward pressure on the Shares price. The Partial Offer, therefore, represents an opportunity for the Independent Shareholders, particularly for those who hold a large volume of Shares, to dispose of at least part of their holdings at the Offer Price if they so wish.

4.4 Our Analysis on Market Comparables

In assessing the fairness and reasonableness of the Offer Price, we consider that it is relevant to assess the Offer Price by making reference to market valuation for companies listed in Hong Kong which are principally engaged in business similar to those of the Group. Since approximately 69.7% and 52.8% of the revenue of the Group was generated from the trading of computer and electronic products for FY2024 and 6M2024 respectively, we have identified a list of comparable companies (the “**Comparable Companies**”), which to the best of our knowledge represents an exhaustive list of companies that meets the following selection criteria: (i) listed on the main board of the Stock Exchange; (ii) with revenue generated from the trading of computer and electronic products accounted for not less than 50% of total revenue for the latest financial year; and (iii) having a market capitalisation of HK\$1,000.0 million or below as at the Latest Practicable Date, having considered the implied market capitalisation of the Offer of approximately HK\$348.4 million and the historical market capitalisation of the Company during the Share Price Review Period. We note that some of the Comparable Companies have a relatively higher or lower market capitalisation as compared to the Company. Given that the Comparable Companies generally have a meaningful scale of operation in terms of revenue and meaningful size of net assets, we consider it is appropriate and reasonable to include such companies in our analysis.

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We have considered the price-to-book ratio (the “**P/B Ratio**”), the price-to-sales ratio (the “**P/S Ratio**”), and the price-to-earnings ratio (the “**P/E Ratio**”) which are commonly adopted trading multiple analyses in assessing the financial valuation of a company as the data for calculating the ratios can be obtained fairly and directly from publicly available information and reflect the value of the companies determined by the open market. We set out our findings in the following table:

| Company name | Stock Code | Principal activities | Market capitalisation as at the Last Practicable Date (HK\$'000) (Note 1) | P/S Ratio (times) (Note 2) | P/E Ratio (times) (Note 3) | P/B Ratio (times) (Note 4) |
|--|------------|---|---|----------------------------------|----------------------------------|----------------------------------|
| Apex Ace Holding Limited | 6036 | (i) sales of electronic components; and (ii) sales and integration of storage systems | 806,333 | 0.32 | N/A (Note 5) | 2.87 |
| Smart-Core Holdings Limited | 2166 | (i) trading of electronic components | 772,116 | 0.14 | 10.85 | 0.85 |
| Sheen Tai Holdings Group Company Limited | 1335 | (i) sales of sub-processing cigarette films; (ii) sales of semi-conductors (i.e. trading of semi-conductors); (iii) property development and related services; and (iv) generation of photovoltaic power | 321,306 | 0.76 | N/A (Note 5) | 0.45 |
| Pangaea Connectivity Technology Limited | 1473 | (i) import and export of electronic components including commercial lasers and connectivity products | 153,734 | 0.11 | N/A (Note 5) | 0.70 |

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| Company name | Stock Code | Principal activities | Market capitalisation as at the Last Practicable Date (HK\$'000) (Note 1) | P/S Ratio (times) (Note 2) | P/E Ratio (times) (Note 3) | P/B Ratio (times) (Note 4) |
|--------------------------------|------------|--|---|----------------------------------|----------------------------------|----------------------------------|
| China Fortune Holdings Limited | 110 | (i) distribution and trading of mobile phone and electronic products; and (ii) mining and processing of celestite, zinc and lead minerals | 50,711 | 0.62 | N/A (Note 5) | 1.81 |
| Mobicon Group Limited | 1213 | (i) distribution of electronic components, electrical components and equipment (ii) retail sales of computer products, mobile accessories, distribution of computer products and provision of IT outsourcing and solution services (iii) trading and retail and distribution of cosmetic products through retail shops and online channels | 45,000 | 0.13 | N/A (Note 5) | 0.40 |
| | | | Maximum | 0.76 | 10.85 | 2.87 |
| | | | Minimum | 0.11 | 10.85 | 0.40 |
| | | | Average | 0.35 | 10.85 | 1.18 |
| | | | Median | 0.23 | 10.85 | 0.78 |
| | | The Company (Note 6) | 348,407 | 0.98 | 23.61 | 1.56 |

Source: the website of the Stock Exchange (www.hkex.com.hk) and the financial reports of the respective Comparable Companies

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Notes:

1. As computed by multiplying the total number of issued shares and the closing share price quoted on the Stock Exchange on the Latest Practicable Date.
2. As computed by dividing the respective market capitalisation as at the Latest Practicable Date by the respective revenue recorded by the company as extracted from the latest published audited annual reports.
3. As computed by dividing the respective market capitalisation as at the Latest Practicable Date by the respective net profit attributable to owners of the company as extracted from the latest published audited annual reports.
4. As computed by dividing the respective market capitalisation as at the Latest Practicable Date by the net assets attributable to owners of the company as extracted from the latest published audited annual reports.
5. According to the latest published audited annual reports of the respective companies, it recorded a net loss attributable to owners of the company and therefore the P/E Ratio analysis are not applicable.
6. The implied market capitalisation, P/S Ratio, P/E Ratio and P/B Ratio of the Company are calculated based on the Offer Price and the adjusted unaudited consolidated net asset value per Share attributable to Shareholders as set out under the section headed “UNAUDITED ADJUSTED NET ASSET VALUE” in Appendix II to this Composite Document.

(i) P/S Ratio

The P/S Ratios of the Comparable Companies ranged from approximately 0.11 times to 0.76 times. The implied P/S Ratio of the Group based on the Offer Price is approximately 0.98 times, which falls outside of the range and is higher than the average of 0.35 times and the median of 0.23 times of the Comparable Companies. Therefore, we are of the view that the Offer Price is fair and reasonable from the perspective of market comparable analysis using P/S Ratio.

(ii) P/E Ratio

The implied P/E Ratio of the Group based on the Offer Price is approximately 23.61 times, which is significantly higher than the P/E Ratio of approximately 10.85 times of the only Comparable Companies that recorded a net profit attributable to owners of the company for the latest financial year. Therefore, we are of the view that the Offer Price is fair and reasonable from the perspective of market comparable analysis using P/E Ratio.

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However, as illustrated in the table above, only 1 out of the 6 Comparable Companies recorded a net profit attributable to owners of the company for the latest financial year. Independent Shareholders are reminded to assess together with other trading multiple analyses as outlined in this section when evaluating the fairness and reasonableness of the Offer Price in terms of the market comparable analysis.

(iii) P/B Ratio

The P/B Ratios of the Comparable Companies ranged from approximately 0.40 times to 2.87 times. The implied P/B Ratio of the Group based on the Offer Price and the adjusted unaudited consolidated net asset value per Share attributable to Shareholders as set out under the section headed “UNAUDITED ADJUSTED NET ASSET VALUE” in Appendix II to this Composite Document is approximately 1.56 times, which is within the range of the Comparable Companies, higher than the average of approximately 1.18 times and the median of approximately 0.78 times of the Comparable Companies. Therefore, we are of the view that the Offer Price is fair and reasonable from the perspective of market comparable analysis using P/B Ratio.

RECOMMENDATIONS

Based on our analyses above, having considered the following:

- (i) notwithstanding that the Group recorded audited and unaudited net profit for the FY2024 and 6M2024 respectively, the revenue from the Group’s computer and electronic products business, which contributed to the majority of the Group’s total revenue for both FY2023 and FY2024, has dropped by approximately 41.6% for FY2024 as compared to that for FY2023;
- (ii) there would not be substantial change in the existing principal business of the Group as a direct result of the Partial Offer based on the intention of the Offeror as stated in the section headed “3.3 Reasons for the Partial Offer and Intention of the Offeror” above in this letter;
- (iii) despite the Offer Price itself represents a discount of approximately 18.48% to the average closing price of approximately HK\$5.520 per Share during the Share Price Review Period, we consider that the Offer Price is fair and reasonable, given (i) the Offer Price is within the range of closing prices per Share during the Share Price Review Period; (ii) the closing prices of the Shares remained relatively stable at a level close to the Offer Price since the publication from the publication of the interim results for 6M2024 (i.e. 25 November 2024) and up to

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the Last Trading Day; (iii) the trading price of the Shares may not sustain at a level higher than the Offer Price during and after the Offer Period with reference to the uncertain business prospect as outlined in the section headed “2. Business Prospects of the Group”;

- (iv) despite the closing prices of the Shares was above the Offer Price during the majority of the Share Price Review Period, the historical trading volume of the Shares was low, with a range of average daily trading volume of the Shares as compared to the Shares held by the public from approximately 0.079% to approximately 2.945% and it is uncertain as to whether there would be sufficient liquidity in the Shares for the Independent Shareholders to dispose of a large volume of Shares in the open market at a fixed cash price within a short period of time without exerting downward pressure on the Shares price, therefore, the historical market trading prices of the Shares may not necessarily reflect the proceeds that the Independent Shareholders can receive upon the disposal of their Shares in the open market and the Partial Offer may represent an opportunity for the Independent Shareholders to dispose of part or all of their Shares at the Offer Price if they so wish and the Partial Offer may represent an opportunity for them to realise their investment. However, Independent Shareholders should note that, given the partial nature of the Partial Offer, the Shares he/she/it tendered for acceptance under the Partial Offer may not be fully taken up; and
- (v) the P/S Ratio, P/E Ratio and P/B Ratio of the Company calculated based on the theoretical market capitalisation represented by the Offer Price compare favourably against those of the Comparable Companies which are engaged in businesses similar to that of the Group;

On balance, we consider that the Partial Offer is fair and reasonable so far as the Independent Shareholders are concerned and the Partial Offer provides an exit alternative for the Independent Shareholders who would like to realise their investments in the Shares. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to accept the Partial Offer.

The Partial Offer is subject to approval of the Partial Offer pursuant to Rule 28.5 of the Takeovers Code by the shareholders holding over 50% of the Shares not held by the Offeror and parties acting in concert with it. Accordingly, we recommend the Independent Board Committee to recommend the Independent Shareholders to approve the Partial Offer, signified by means of a separate tick box on the Form of Approval and Acceptance specifying the number of Shares in respect of which the Partial Offer is approved.

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Nonetheless, we would like to remind the Independent Shareholders who would like to realise part or all of their investments in the Shares to closely monitor the market price and liquidity of the Shares during the Offer Period and may, instead of accepting the Partial Offer, consider selling their Shares in the open market should such sale proceeds, net of all transaction costs, exceed the amount receivable under the Partial Offer.

Independent Shareholders who, after reading through the Composite Document and this letter, wish to retain some or all of their investments in the securities of the Company, are reminded to monitor the development of the Group, in particular the Offeror's business strategy, and any announcements of the Company during and after the Offer Period.

Yours faithfully,
For and on behalf of
Emperor Corporate Finance Limited
Mark Chan
Managing Director

Mr. Mark Chan is a licensed person and has been a responsible officer of Emperor Corporate Finance Limited registered with the SFC to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO since 2018 and 2016 respectively and has over 10 years of experience in corporate finance.

PROCEDURES FOR APPROVAL AND ACCEPTANCE OF THE PARTIAL OFFER

To accept the Partial Offer, you should complete and sign the accompanying Form of Approval and Acceptance in accordance with the instructions printed thereon, which form part of the terms of the Partial Offer.

1. General Procedure for Approval and Acceptance

- 1.1. The Qualifying Shareholders may accept the Partial Offer in respect of some or all of the Offer Shares held by them.

Subject to the Partial Offer becoming unconditional in all respects: (i) if valid acceptances are received for not less than the Minimum Number of Offer Shares, but not more than the Maximum Number of Offer Shares as at the Final Closing Date, all Offer Shares validly accepted will be taken up; and (ii) if valid acceptances are received for more than the Maximum Number of Offer Shares as at the Final Closing Date, the total number of Offer Shares to be taken up by the Offeror from each accepting Qualifying Shareholder will be determined by the total number of Offer Shares tendered for acceptance in accordance with the following formula:

$$\frac{A}{B} \times C$$

A = the Maximum Number of Offer Shares as at the Final Closing Date, being the maximum number of Offer Shares for which the Partial Offer is made (i.e. 19,439,034 Shares)

B = the total number of Offer Shares validly tendered by all Qualifying Shareholders under the Partial Offer

C = the number of Offer Shares tendered by the relevant individual Qualifying Shareholder under the Partial Offer

As a result, it is possible that if a Qualifying Shareholder tenders all his/her/its Shares for acceptance under the Partial Offer, not all of such Shares will be taken up. Fractions of Shares will not be taken up under the Partial Offer and, accordingly, the number of Shares that the Offeror will take up from each Qualifying Shareholder in accordance with the above formula will be rounded up or down to the nearest whole number at the discretion of the Offeror.

- 1.2. Whether or not the Qualifying Shareholders accept the Partial Offer, they may approve the Partial Offer and specify the number of Shares in respect of which they approve the Partial Offer in the accompanying Form of Approval and Acceptance. Each Share, fully paid up, shall be entitled to ONE vote only. Multiple votes in respect of the same Share will not be taken into account in counting the approval of the Partial Offer. Only ONE vote for each Share may be cast. If a Shareholder has put a tick “✓” to indicate his/her/its approval of the Partial Offer on the Form of Approval and Acceptance but no number of Shares in respect of such approval is specified or any other information in Box A of the Form of Approval and Acceptance is missing, incomplete or erroneous, the approval of the Partial Offer by such Shareholder will not be considered as valid until the number of Shares in respect of such approval is specified and/or such missing, incomplete or erroneous information has been completed and rectified in such Form of Approval and Acceptance. Qualifying Shareholders may vote in respect of the total number of Shares held by him/her/it even though he/she/it does not intend to accept the Partial Offer and/or the number of Shares voted may be more than the number of Shares tendered for acceptance. Irrespective of the above, Qualifying Shareholders may specify the number of Shares in respect of which they tender for acceptance of the Partial Offer. If no number of Shares in respect of such acceptance is specified or any other information in Box B of the Form of Approval and Acceptance is missing, incomplete or erroneous, the acceptance of the Partial Offer by such Shareholder will not be considered as valid until the number of Shares in respect of such acceptance is specified and/or such missing, incomplete or erroneous information has been completed and rectified in such Form of Approval and Acceptance.
- 1.3. 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) (if applicable) in respect of the Shares is/are in the name of the Qualifying Shareholder(s), and he/she/it wishes to accept the Partial Offer whether in full or in respect of part of his/her/its holding of Shares, he/she/it should complete and return the accompanying Form of Approval and Acceptance in accordance with the instructions printed in this Composite Document and the instructions printed on the Form of Approval and Acceptance. The Qualifying Shareholder(s) who wishes to accept the Partial Offer in respect of only part of his/her/its Shares should arrange for 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) (if applicable) in respect of his/her/its Shares to be split through the Share Registrar before submitting the

Form of Approval and Acceptance such that the number of Shares in respect of such acceptance specified in the Form of Approval and Acceptance shall be the same as the number of Shares represented by 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) (if applicable) submitted with such Form of Approval and Acceptance. The instructions in this Composite Document should be read together with the instructions on the Form of Approval and Acceptance (which instructions form part of the terms of the Partial Offer).

- 1.4. In order to be valid, the completed Form of Approval and Acceptance should be forwarded, and, for the purpose of acceptance of the Partial Offer only, together with the Share certificate(s), transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) (if applicable) for the number of Shares in respect of which the relevant Qualifying Shareholder wishes to accept the Partial Offer, by post or by hand to the Share Registrar, at 17/F, Far East Finance Centre, 16 Harcourt Road Hong Kong, in an envelope marked “Hunlicar Group Limited — Partial Offer” as soon as possible after receipt of the Form of Approval and Acceptance but in any event by no later than 4:00 p.m. (Hong Kong time) on Wednesday, 2 April 2025, being the First Closing Date as stated in this Composite Document, or such other time and/or date as the Offeror may, subject to the Takeovers Code, decide and announce.

In accordance with Rule 15.1 of the Takeovers Code, the Partial Offer must initially be open for acceptance for at least 21 days after the Despatch Date. Pursuant to Rule 15.3 of the Takeovers Code, when the Partial Offer becomes or is declared unconditional in all respects, the Partial Offer will remain open for acceptance for not less than 14 days thereafter. Accordingly, if the Partial Offer is declared unconditional as to acceptances on or prior to 7th day after the Despatch Date, then the Final Closing Date would be on (but no earlier than) the First Closing Date, being 21 days after the Despatch Date. If the Partial Offer is declared unconditional as to acceptances later than the seventh day after the Despatch Date, then the Final Closing Date would be at least 14 days after the date of such declaration. Pursuant to Rule 28.4 of the Takeovers Code, if the Partial Offer has been declared unconditional as to acceptances on the First Closing Date, the Offeror cannot extend the Final Closing Date to a day beyond the 14th day after the First Closing Date. When a period laid down by the Takeovers Code ends on a day which is not a Business Day, the period is extended until the next Business Day.

- 1.5. Unless the Partial Offer is extended or revised in accordance with the Takeovers Code, no Form of Approval and Acceptance received after the Final Closing Date will be accepted.
- 1.6. If the Form of Approval and Acceptance is executed by a person other than the registered holder, appropriate evidence of authority (e.g. a grant of probate or certified copy of a power of attorney) to the satisfaction of the Offeror must be delivered to the Share Registrar with the completed Form of Approval and Acceptance.
- 1.7. No acknowledgement of receipt of any Form of Approval and Acceptance, Share certificate(s), transfer receipt(s) or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) (if applicable) will be given.
- 1.8. In relation to any acceptance(s) of the Partial Offer in respect of Shares held in CCASS, the Offeror reserves the right to make such alterations, additions or modifications to the terms of the Partial Offer as may be necessary or desirable to give effect to any purported acceptance of the Partial Offer, whether to comply with the facilities or requirements of CCASS or otherwise, provided such alterations, additions or modifications are consistent with the requirements of the Takeovers Code or are otherwise made with the Executive's consent.

2. Nominee Holdings

- 2.1. If the Share certificate(s), transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) (if applicable) in respect of a Qualifying Shareholder's Share(s) is/are in the name of a nominee company or some name other than his/her/its own, and such Qualifying Shareholder wishes to approve and/or accept the Partial Offer (either in full or in respect of part of his/her/its holding(s) of Shares), he/she/it must either:
 - (a) lodge the Share certificate(s), transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) (if applicable) with the nominee company, or other nominee, with instructions authorising it to approve and/or accept the Partial Offer on his/her/its behalf and requesting it to deliver the Form of Approval and Acceptance duly completed together with the relevant Share certificate(s), transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) (if

- applicable) to the Share Registrar, within such deadline (which may be earlier than the deadline specified under the Partial Offer) as may be stipulated by the nominee; or
- (b) arrange for the Shares to be registered in his/her/its name by the Company through the Share Registrar and send the Form of Approval and Acceptance duly completed and signed together with the relevant Share certificate(s), transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) (if applicable) to the Share Registrar by no later than 4:00 p.m. on Wednesday, 2 April 2025, being the First Closing Date as stated in this Composite Document, or such other time and/or date as the Offeror may, subject to the Takeovers Code, decide and announce; or
 - (c) where his/her/its Shares are deposited in CCASS via his/her/its licensed securities dealer/broker/custodian bank, instruct his/her/its licensed securities dealer/broker/custodian bank to authorise HKSCC Nominees Limited to approve and/or accept the Partial Offer on his/her/its behalf on or before the deadline set by HKSCC Nominees Limited or any other date as shall be determined by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, that Qualifying Shareholder should check with his/her/its licensed securities dealer/broker/custodian bank for the timing on processing his/her/its instruction, and submit such instruction to his/her/its licensed securities dealer/broker/custodian bank as required by them; or
 - (d) if the Shares have been lodged with his/her/its Investor Participant Account with CCASS, authorise his/her/its instruction via the CCASS Phone System or CCASS Internet System no later than one business day before the deadline set by HKSCC Nominees Limited or any other date as shall be determined by HKSCC Nominees Limited.
- 2.2. Qualifying Shareholders with such a nominee holding of Shares should ensure that they take the above applicable course of action promptly to allow their nominee(s) sufficient time to complete the approval and/or acceptance procedure on his/her/its behalf before the First Closing Date, or such other time and/or date as the Offeror may, subject to the Takeovers Code, decide and announce.

3. Recent Transfer

If a Qualifying Shareholder has lodged transfer(s) of Shares for registration in his/her/its name and has not yet received the Share certificate(s) and wishes to approve and/or accept the Partial Offer, he/she/it should nevertheless complete and sign the Form of Approval and Acceptance and deliver it to the Share Registrar together with the transfer receipt(s) duly signed by him/her/it. Such action will be deemed to be an irrevocable authority to the Offeror, Zheshang International, HKICM and/or any of their respective agent(s) or such other person(s) as any of them may direct for the purpose of collecting from the Company or the Share Registrar by or on his/her/its behalf the relevant Share certificate(s) when issued and to deliver such Share certificate(s), subject to the terms of the Partial Offer, as if it was/they were delivered to the Share Registrar with the Form of Approval and Acceptance.

4. Lost or Unavailable Share Certificates

4.1. If the Share certificate(s), transfer receipt(s) and/or any other document(s) of title is/are not readily available and/or is/are lost and a Qualifying Shareholder wishes to approve and/or accept the Partial Offer, the Form of Approval and Acceptance should nevertheless be completed, signed and delivered, together with a letter stating that he/she/it has lost one or more of his/her/its Share certificate(s) and/or transfer receipts and/or other document(s) of title or that it/they is/are not readily available, to the Share Registrar so as to reach the Share Registrar no later than 4:00 p.m. on the First Closing Date, or such other time and/or date as the Offeror may, subject to the Takeovers Code, decide and announce. If the Qualifying Shareholder finds such document(s) or if it/they become available, the relevant Share certificate(s), transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) (if applicable) should be forwarded to the Share Registrar as soon as possible thereafter and in any event no later than 4:00 p.m. on the First Closing Date, or such other time and/or date as the Offeror may, subject to the Takeovers Code, decide and announce.

4.2. If a Qualifying Shareholder has lost his/her/its Share certificate(s), transfer receipt(s) and/or any other document(s) of title, he/she/it should write to the Share Registrar and request a letter of indemnity in respect of the lost Share certificate(s), transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) (as the case may be) which, when completed in accordance with the instructions given, should be returned, together with the Form of Approval and Acceptance and any Share certificate(s), transfer receipt(s) and/or any other document(s) of title

which are available, to the Share Registrar either by post or by hand, so as to arrive not later than 4:00 p.m. on the First Closing Date, or such other time and/or date as the Offeror may, subject to the Takeovers Code, decide and announce. In such cases, the Qualifying Shareholder will be informed of the fees and/or expenses payable to the Share Registrar for which he/she/it will be responsible.

Qualifying Shareholders may also contact the Share Registrar (through the enquiry hotline at +(852) 2980 1333) to enquire about the applicable fees or any of the arrangements relating to lost or unavailable share certificates, or any of the other administrative and/or procedural arrangements relating to approval and/or acceptance of the Partial Offer.

The Offeror shall have the absolute discretion to decide whether any Shares in respect of which the Share certificate(s), 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.

5. Additional Forms of Approval and Acceptance

If a Qualifying Shareholder has lost the accompanying Form of Approval and Acceptance or such original has become unusable, and requires a replacement of such form, he/she/it should write to the Share Registrar or visit the Share Registrar at its office and request an additional Form of Approval and Acceptance for completion by such Qualifying Shareholder. Alternatively, he/she/it could download it from the website of the Stock Exchange at www.hkexnews.hk or the website of the Company at www.3638hk.com.

6. Settlement

- 6.1. Provided that the Partial Offer becomes unconditional in all respects and a duly completed Form of Approval and Acceptance, accompanied by 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) (if applicable) are received by the Share Registrar by no later than 4:00 p.m. on the Final Closing Date (or such other time and/or date as the Offeror may, subject to the Takeovers Code, decide and announce) and are in order in all respects and in accordance with the Takeovers Code, the Share Registrar will send to the relevant Accepting Shareholder by ordinary post, at his/her/its own risks, a remittance for the amount due to him/her/it under the Partial Offer and (if applicable) any Share certificate(s) and/or any transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities

required in respect thereof) (if applicable) for Shares not taken up or, if applicable, Share certificate(s) in respect of the balance of such Shares (taking into account of any scaling down of his/her/its acceptance, stamp duty and the fees payable to the Share Registrar in respect of lost or unavailable Share certificates) in accordance with the authority and provisions contained in the Form of Approval and Acceptance as soon as possible but in any event no later than 7 business days (as defined in the Takeovers Code) after the Final Closing Date.

- 6.2. Settlement of the consideration to which any Accepting Shareholder is entitled under the Partial Offer will be implemented in full in accordance with the terms of the Partial Offer (save with respect to 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 Shareholder.
- 6.3. If the Partial Offer does not become unconditional in all respects, 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) (as the case may be) will be returned and/or sent to each Accepting Shareholder (by ordinary post, at that Accepting Shareholder's own risk) as soon as possible but in any event no later than 7 business days (as defined in the Takeovers Code) after the lapse of the Partial Offer. Where such Accepting Shareholder has sent one or more transfer receipt(s) and in the meantime one or more Share certificate(s) has/have been collected by or on behalf of that Accepting Shareholder in respect thereof, that Accepting Shareholder will be sent (by ordinary post, at that Accepting Shareholder's own risk) such Share certificate(s) in lieu of the transfer receipt(s).
- 6.4. If the Shares tendered by an Accepting Shareholder have not been taken up by the Offeror in full, the Share certificate(s) or transfer receipt(s) or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) (as the case may be) in respect of the balance of such Shares or a replaced certificate will be returned or sent to him/her/it by ordinary post at his/her/its own risk as soon as possible but in any event no later than 7 business days (as defined in the Takeovers Code) after the Final Closing Date.
- 6.5. No fractions of a cent will be payable and the amount of cash consideration payable to an accepting Shareholder will be rounded up to the nearest cent.

6.6. Cheque(s) not presented for payment within six months from the date of issue of the cheque will not be honoured and be of no further effect, and in such circumstances, cheque holder(s) should contact the Offeror for payment.

7. New Shareholders

Any new Shareholder may collect a copy of this Composite Document, together with a blank Form of Approval and Acceptance from the Share Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong during the period from the date of this Composite Document to the Final Closing Date (both days inclusive), between 9:00 a.m. and 4:30 p.m. (Hong Kong time) from Mondays to Fridays (other than public holidays). Such Shareholder may also contact the Share Registrar (through the enquiry hotline at +(852) 2980 1333) and request a copy of this Composite Document and a blank Form of Approval and Acceptance (as appropriate) to be sent to his/her/its registered address as recorded in the Register.

EFFECT OF ACCEPTANCE OF THE PARTIAL OFFER BY QUALIFYING SHAREHOLDERS

By validly accepting the Partial Offer, the Qualifying Shareholders will sell their tendered Shares which are finally taken up by the Offeror in accordance with the above formula under the section headed “Procedures for Approval and Acceptance of the Partial Offer — 1. General Procedure for Approval and Acceptance” in this Appendix to the Offeror, free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights and benefits at any time accruing and attaching thereto, including all rights to any dividend or other distributions the record date of which falls on or after the Final Closing Date.

Each Qualifying Shareholder by whom, or on whose behalf, a Form of Approval and Acceptance is executed irrevocably undertakes, represents, warrants and agrees to and with the Offeror, Zheshang International and HKICM (so as to bind him/her/it, his/her/its personal representatives, heirs, successors and assigns) to the effect:

1. Irrevocable Acceptances and rights of withdrawal

That the Form of Approval and Acceptance which has been duly completed and received by the Share Registrar will constitute irrevocable approval and/or acceptance of the Partial Offer in respect of the number of Shares inserted in the Form and Acceptance and Approval for such purposes subject to and on the terms of the Partial Offer, except in the case of the acceptance of the Partial Offer, in compliance with Rule 17 of the

Takeovers Code or in the circumstances that the Executive requires that such Accepting Shareholder is granted a right to withdraw in accordance with Rule 19.2 of the Takeovers Code.

Rule 19.2 of the Takeovers Code relates to failure to announce the results of the Partial Offer as set out in the section headed “Announcements” in this Appendix and provides that the Executive may require that Accepting Shareholders be granted a right of withdrawal, on terms acceptable to the Executive, until the requirements of Rule 19 of the Takeovers Code can be met.

Rule 17 of the Takeovers Code relates to the right of the Accepting Shareholder to withdraw his/her/its acceptance of the Partial Offer after 21 days from the First Closing Date, if the Partial Offer has not by then become unconditional as to acceptances. The Offeror will make an announcement in the event such situation arises to advise on the right of withdrawal.

If the Partial Offer is withdrawn with the consent of the Executive in accordance with the Takeovers Code, the Offeror shall, as soon as possible but in any event no later than 7 business days (as defined in the Takeovers Code) after the date of such withdrawal, return 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) (if applicable) in respect of such number of Shares lodged with the Form of Approval and Acceptance to the relevant Accepting Shareholder(s) by ordinary post.

2. Execution

That the due execution of the Form of Approval and Acceptance, subject to Rule 19.2 of the Takeovers Code, shall constitute approval by the relevant Qualifying Shareholder of the Partial Offer in respect of the number of Shares inserted in Box A and an acceptance by the relevant Qualifying Shareholder of the Partial Offer in respect of the number of the Shares inserted in Box B of the Form of Approval and Acceptance and subject to the terms and conditions set out or referred to in this Composite Document and the Form of Approval and Acceptance and that, once lodged, such acceptance shall be irrevocable, unless withdrawn in accordance with the Takeovers Code.

3. Representation and Warranties

- (a) That he/she/it has full power and authority to tender, sell, assign and transfer all the Shares (together with all rights and benefits at any time accruing and attaching thereto, including all rights to any dividend or other distributions the record date of which falls on or after the Final Closing Date) specified in such Form of Approval and Acceptance under the Partial Offer and that the Shares

are fully paid and free from all liens, charges, options, claims, equities, adverse interests, third party rights or encumbrances whatsoever and together with all rights and benefits at any time accruing and attaching thereto, including all rights to any dividend or other distributions the record date of which falls on or after the Final Closing Date; and

- (b) That if he/she is a resident, national or citizen of or it is an entity incorporated in a jurisdiction outside Hong Kong, he/she/it has fully observed any applicable legal or other requirements and that the Partial Offer may be accepted by him/her/it lawfully under the laws of the relevant jurisdiction and such acceptance shall be valid and binding in accordance with all applicable laws and regulations. If the Qualifying Shareholders are in doubt with the relevant requirement, Qualifying Shareholders should consult their professional advisers.

4. Appointment and Authority

That the due execution of the Form of Approval and Acceptance constitutes (a) the irrevocable appointment of the Offeror, Zheshang International, HKICM, any director or officer of the Offeror, Zheshang International or HKICM, or such other person as any of them may direct, as such Qualifying Shareholder's agent ("**Agent**"); and (b) an irrevocable instruction to the Agent to complete and execute the Form of Approval and Acceptance and/or any other document at the Agent's discretion on behalf of the person accepting the Partial Offer and to do any other acts or things (such as, among others, due execution of instruments of transfer and/or contract notes to effect transfers of Shares accepted by the Offeror pursuant to the Partial Offer to the Offeror and to tender the relevant Share certificate(s) for cancellation) as may in the opinion of the Agent be necessary, expedient or desirable for the purpose of the Offeror to acquire some or all of the Shares (as the Offeror may determine in accordance with the formula as set out in the paragraph headed "OTHER TERMS OF THE PARTIAL OFFER" in the letter from Zheshang International in respect of which such person has accepted the Partial Offer).

5. Undertakings

By executing the Form of Approval and Acceptance, he/she/it:

- (a) agrees to ratify and confirm each and every act or thing which may be done or effected by the Offeror or any Agent in the proper exercise of his/her/its powers and/or authorities under the terms of the Partial Offer (such as, among others, acts or things effecting the transfer of Offer Shares accepted by the Offeror pursuant to the Partial Offer);

- (b) undertakes to deliver to the Share Registrar the Share certificate(s), transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) (if applicable) in respect of the Shares for which the Partial Offer is accepted, or an indemnity or indemnities acceptable to the Offeror in lieu thereof, or to procure the delivery of such document(s) to the Share Registrar as soon as possible thereafter and, in any event, no later than 4:00 p.m. on the First Closing Date as stated in this Composite Document, or such other time and/or date as the Offeror may, subject to the Takeovers Code, decide and announce;
- (c) accepts that the provisions of the Form of Approval and Acceptance and the other terms and conditions in this Composite Document are deemed to be incorporated into the terms and conditions of the Partial Offer;
- (d) undertakes to do all such acts and things and execute any further deeds and/or documents, do any such acts or things and give any further assurances which may be required in connection with his/her/its acceptance of the Partial Offer as the Offeror may consider to be necessary, expedient or desirable in accordance with the Takeovers Code, including, without limitation, to acquire any Shares in respect of which he/she/it has accepted the Partial Offer free from all liens, charges, options, claims, equities, adverse interests, third parties rights or encumbrances whatsoever and together with rights and benefits at any time accruing and attaching thereto, including all rights to any dividend or other distributions the record date of which falls on or after the Final Closing Date and/or to perfect any of the authorities expressed to be given hereunder;
- (e) authorises the Offeror or the Agent to procure the despatch by post of the consideration to which he/she/it is entitled at his/her/its risk to the address of the registered Shareholder or the first-named of joint registered Shareholders on the Register or, if different, to the name and address of the person as specified on the Form of Approval and Acceptance; and
- (f) submits to the non-exclusive jurisdiction of the courts of Hong Kong in relation to all matters arising out of or in connection with the Partial Offer or the Form of Approval and Acceptance.

6. General

That:

- (a) in making their decisions, the Qualifying Shareholders must rely on their own examination of the Group and the terms of the Partial Offer including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained herein, together with the Form of Approval and Acceptance, shall not be construed as any legal or business advice on the part of the Offeror, the Company, Zheshang International, HKICM or any other person involved in the Partial Offer. Shareholders should consult their own professional advisers for professional advice in relation to their decisions;
- (b) acceptance of the Partial Offer by any person or persons will be deemed to constitute a warranty by such person or persons to the Offeror, Zheshang International and HKICM that the Shares acquired under the Partial Offer are fully paid and sold by any such person or persons free from all liens, charges, options, claims, equities, adverse interests, third party rights or encumbrances whatsoever and together with all rights accruing or attaching thereto, including, without limitation, the right to receive dividends and other distributions declared, made or paid, if any, on or after the Final Closing Date;
- (c) the Qualifying Shareholders may approve and/or accept the Partial Offer by completing the Form of Approval and Acceptance in accordance with the instructions set out in the Form of Approval and Acceptance (which constitute part of the terms of the Partial Offer). A Form of Approval and Acceptance will be rejected as invalid if the procedures and/or instructions contained in this Composite Document and in the Form of Approval and Acceptance are not complied with;
- (d) the Partial Offer and all acceptances of it, the Form of Approval and Acceptance and all contracts made pursuant to the Partial Offer, and all actions taken or made or deemed to be taken or made pursuant to these terms will be governed by and construed in accordance with Hong Kong laws. Delivery of a Form of Approval and Acceptance will constitute submission to the non-exclusive jurisdiction of the Hong Kong courts;
- (e) the accidental omission to despatch, or the failure of any person to receive this Composite Document or the Form of Approval and Acceptance, will not invalidate any aspect of the Partial Offer. Extra prints of these documents are available to any Qualifying Shareholder at the office of the Share Registrar

during the period from the date of this Composite Document to the Final Closing Date (both days inclusive), between 9:00 a.m. and 4:00 p.m. (Hong Kong time) from Mondays to Fridays (other than public holidays), and on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.3638hk.com;

- (f) The Offeror reserves the right, subject to the Takeovers Code, any applicable law or regulatory requirements and the requirements of the Executive, to amend the Offer Price or other terms of the Partial Offer. In the event of such amendment, a supplemental document and new Form of Approval and Acceptance will be despatched to the Qualifying Shareholders. Any revised Partial Offer will be kept open for at least 14 days following the date on which the revised offer document is posted. If in the course of the Partial Offer, the Offeror revises the terms of the Partial Offer, all Qualifying Shareholders, whether they have accepted the Partial Offer or not, will be entitled to the revised terms the right of acceptance of the Partial Offer is personal to the Qualifying Shareholders and is not capable of being assigned or renounced in favour of others or otherwise transferred by the Qualifying Shareholders;
- (g) all questions as to the number of Offer Shares to be taken up by the Offeror, the Offer Price to be paid therefor, or any alteration of such price in accordance with the terms contained herein, and the validity, form, eligibility (including the time of receipt) and acceptance for payment of any acceptance will be determined by the Offeror in its sole discretion, which determination will be final and binding on all of the parties (except as otherwise required under the applicable laws or by the Executive). The Offeror reserves the absolute right to reject any or all acceptances it determines not to be in proper form or the acceptance or payment for which may, in the opinion of the Offeror, be unlawful;
- (h) any irregular acceptance failing to satisfy the requirements of Rule 30.2 of the Takeovers Code and the notes thereto will not be counted towards fulfilling the acceptance condition of the Partial Offer and approval requirements under Rule 28.5. None of the Offeror, the Company, Zheshang International, HKICM, the Share Registrar or any of their respective directors or any other person involved in the Partial Offer is or will be obliged to give notice of any defects or irregularities in acceptances and none of them will incur any liability for failure to give any such notice; and

- (i) all communications, notices, Form(s) of Approval and 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 (including the payment of consideration which the Qualifying Shareholders are entitled) to be delivered or sent by, to or from the Shareholders will be delivered or sent by, to and from them, or their designated agents, at their own risks and none of the Offeror, the Company, Zheshang International, HKICM, the Independent Financial Adviser or the Share Registrar or any of their respective directors or any other person involved in the Partial Offer accepts any liability for any loss or any other liabilities whatsoever which may arise as a result.

OVERSEAS SHAREHOLDERS

This Composite Document will not be filed or registered under the applicable securities or equivalent legislation or rules of any jurisdiction other than Hong Kong.

The availability of the Partial Offer to persons who are not resident in Hong Kong may be affected by the applicable laws of the relevant jurisdiction in which they reside. Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements in their own jurisdictions and, where necessary, seek their own legal advice. It is the responsibility of those Shareholders who wish to accept the Partial 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 Partial 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 Shareholders in respect of such jurisdictions).

Any acceptance of the Partial Offer by any Qualifying Shareholder will be deemed to constitute a representation and warranty from such persons to the Offeror and their advisers that all local laws and regulatory requirements have been complied with and that the Partial Offer can be accepted by such persons lawfully under the laws of the relevant jurisdiction and such acceptance shall be valid and binding in accordance with all applicable laws and regulations. Qualifying Shareholders should consult their professional advisers if in any doubt.

As at the Latest Practicable Date, there is no Overseas Shareholder.

TAXATION AND HONG KONG STAMP DUTY

Qualifying Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of their acceptance of the Partial Offer. It is emphasized that none of the Offeror, the Company and their ultimate beneficial owners and parties acting in concert with any of them, Zheshang International, HKICM, the Share Registrar or any of their respective directors or professional advisers or any persons involved in the Partial Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance of the Partial Offer.

In Hong Kong, the seller's ad valorem stamp duty arising in connection with acceptance of the Partial Offer will be payable by the relevant Qualifying Shareholders at a rate of 0.1% of (i) the market value of the relevant Offer Shares accepting the Partial Offer; or (ii) the consideration payable by the Offeror in respect of the relevant acceptance of the Partial Offer, whichever is higher, which will be deducted from the cash amount payable by the Offeror to such Qualifying Shareholder on valid acceptance of the Partial Offer in respect of Offer Shares taken by the Offeror (where the stamp duty calculated includes a fraction of HK\$1, the stamp duty will be rounded-up to the nearest HK\$1). The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Qualifying Shareholders accepting the Partial Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptance of the Partial Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

ANNOUNCEMENTS

The announcement of the results of the Partial Offer will be jointly issued by the Offeror and the Company on the website of the Stock Exchange by 7:00 p.m. on the day when the Partial Offer has become or has been declared unconditional as to acceptances (if such date is prior to the First Closing Date) or on the First Closing Date, as the case may be, and on the Final Closing Date. Such announcement will comply with the disclosure requirements under Rule 19.1 and Note 7 to Rule 19 of the Takeovers Code and will include, amongst other things:

- (i) the total number of Shares (a) for which acceptances of the Partial Offer have been received; (b) held, controlled or directed by the Offeror or parties acting in concert with it before the Offer Period; and (c) acquired or agreed to be acquired during the Offer Period by the Offeror or any parties acting in concert with it.
- (ii) the details of the way in which each of the Accepting Shareholder's pro-rata entitlement was/is to be determined;

- (iii) the details of any relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company which the Offeror or any parties acting in concert with it has borrowed or lent, save for any borrowed Shares which have been either on-lent or sold; and
- (iv) the percentages of the relevant classes of share capital of the Company, and the percentages of voting rights represented by these numbers.

In any announcement of an extension of the Partial Offer, either the next closing date will be stated or, if the Partial Offer is unconditional in all respects, a statement may be made that the Partial Offer will remain open for acceptance for such period in accordance with the Takeovers Code. Pursuant to Rule 28.4 of the Takeovers Code, if the Partial Offer has been declared unconditional as to acceptances on the First Closing Date, the Offeror cannot extend the Final Closing Date to a day beyond the 14th day after the First Closing Date.

As required under the Takeovers Code, all announcements in relation to the Partial Offer, in respect of which the Executive has confirmed that he has no further comments thereon, will be published on the websites of the Stock Exchange and the Company.

INTERPRETATION

A reference in this Composite Document to a Qualifying Shareholder includes a reference to a person(s) who, by reason of an acquisition or transfer of Shares is entitled to execute a Form of Approval and Acceptance and in the event of more than one person executing a Form of Approval and Acceptance, the provisions of this Composite Document apply to them jointly and severally.

A reference in this Composite Document and the Form of Approval and Acceptance shall include any extension and/or revision thereof.

(A) FINANCIAL INFORMATION 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 2022, 2023 and 2024 as extracted from annual reports for the year ended 31 March 2023 and 2024 of the Company respectively and the unaudited consolidated financial information of the Group for the six months ended 30 September 2024 as extracted from the interim report of the Company for the six months ended 30 September 2024.

The consolidated financial statements of the Group for each of the years ended 31 March 2022, 2023 and 2024 were audited by Baker Tilly Hong Kong Limited and did not contain any qualified or modified opinion, nor any emphasis of matter or material uncertainty related to going concern.

| | For the year ended 31 March | | | For the six months ended |
|---|-----------------------------|-----------|-----------|-----------------------------|
| | 2022 | 2023 | 2024 | 30 September 2024 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | (audited) | (audited) | (audited) | (unaudited) |
| Revenue | 1,702,549 | 456,565 | 357,111 | 169,763 |
| Cost of sales | (1,664,101) | (450,657) | (342,907) | (115,749) |
| Gross profit | 38,448 | 5,908 | 14,204 | 54,014 |
| Selling expenses | (355) | (93) | (1,347) | (840) |
| General and administrative expenses | (39,584) | (44,358) | (47,053) | (50,122) |
| Reversal of expected credit loss/ (expected credit loss) on financial assets, net | (245,460) | (59,730) | 53,962 | 2,902 |
| Other income and gains, net | 807 | 366 | 2,542 | 3,610 |
| Gain on disposal of property, plant and equipment | 41,349 | 302 | 500 | — |
| Impairment of goodwill | (48,622) | (3,391) | — | — |
| Profit/(loss) from operations | (253,417) | (100,659) | 22,808 | 9,564 |
| Finance costs | (6,188) | (8,663) | (11,666) | (4,627) |
| Profit/(loss) before taxation | (259,605) | (109,659) | 11,142 | 4,937 |
| Income tax expense | 20,186 | (20,315) | (115) | (1,085) |
| Profit/(loss) for the year/period | (239,419) | (129,974) | 11,027 | 3,852 |

| | For the year ended 31 March | | | For the six months ended |
|---|-----------------------------|----------------|-------------|-----------------------------|
| | 2022 | 2023 | 2024 | 30 September 2024 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | (audited) | (audited) | (audited) | (unaudited) |
| Profit/(loss) attributable to: | | | | |
| Owners of the Company | (241,018) | (129,974) | 14,759 | 1,143 |
| Non-controlling interests | 1,599 | (2,369) | (3,732) | 2,709 |
| Earnings/(loss) per share attributable to owners of the Company | | | | |
| Basic | HK(55.51) cent | HK(26.55) cent | HK2.30 cent | HK1.45 cent |
| Diluted | HK(55.51) cent | HK(26.55) cent | HK2.30 cent | HK1.45 cent |
| Profit/(loss) for the year | (239,419) | (129,974) | 11,027 | 3,852 |
| Other comprehensive (expense)/income | | | | |
| <i>Item that may be subsequently reclassified to profit or loss</i> | | | | |
| Currency translation differences | 243 | (365) | (95) | 25 |
| <i>Fair value gain on equity securities designated at fair value through other comprehensive income, net of nil tax</i> | — | — | 34 | — |
| Total comprehensive expense for the year | (239,176) | (130,339) | 10,966 | 3,877 |
| Total comprehensive (expense)/ income attributable to: | | | | |
| Owners of the Company | (240,775) | (127,970) | 14,689 | 1,168 |
| Non-controlling interests | 1,599 | (2,369) | (3,723) | 2,709 |

The Company did not distribute any dividends to the Shareholders for the years ended 31 March 2022, 2023 and 2024 and for the six months ended 30 September 2024 respectively. Save as disclosed above, there are no other items or expenses which were material in respect of the consolidated financial results of the Group for the three years ended 31 March 2022, 2023 and 2024 and for the six months ended 30 September 2024. There were no change in accounting policy for the three years ended 31 March 2022, 2023 and 2024 and for the six months ended 30 September 2024 which would result in the financial figures for such years not being comparable to a material extent.

(B) CONSOLIDATED FINANCIAL INFORMATION

The Company is required to set out or refer to in this Composite Document the consolidated statement of financial position, statement of cash flows and any other primary statement as shown in the audited consolidated financial statements of the Group for the years ended 31 March 2022, 2023 and 2024 and for the six months ended 30 September 2024, together with the significant accounting policies and any points from the notes to the relevant published financial statements which are of major relevance to the appreciation of the above financial information.

The unaudited consolidated financial statements of the Group for the six months ended 30 September 2024 has been set out on pages 5 to 35 of the interim report of the Company for the six months ended 30 September 2024 which was posted on 18 December 2024 on the Stock Exchange's website (<http://www.hkexnews.hk>).

Please see below the link to the interim report of the Company for the six months ended 30 September 2024:

English:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/1218/2024121800495.pdf>

Chinese:

https://www1.hkexnews.hk/listedco/listconews/sehk/2024/1218/2024121800496_c.pdf

The audited consolidated financial statements of the Group for the year ended 31 March 2024 has been set out on pages 86 to 222 of the annual report of the Company for the year ended 31 March 2024 which was posted on 30 July 2024 on the Stock Exchange's website (<http://www.hkexnews.hk>).

Please see below the link to the annual report of the Company for the year ended 31 March 2024:

English:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0730/2024073000446.pdf>

Chinese:

https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0730/2024073000447_c.pdf

The audited consolidated financial statements of the Group for the year ended 31 March 2023 has been set out on pages 61 to 192 of the annual report of the Company for the year ended 31 March 2023 which was posted on 24 July 2023 on the Stock Exchange's website (<http://www.hkexnews.hk>).

Please see below the link to the annual report of the Company for the year ended 31 March 2023:

English:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0724/2023072400850.pdf>

Chinese:

https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0724/2023072400851_c.pdf

The audited consolidated financial statements of the Group for the year ended 31 March 2022 has been set out on pages 62 to 194 of the annual report of the Company for the year ended 31 March 2022 which was posted on 28 July 2022 on the Stock Exchange's website (<http://www.hkexnews.hk>).

Please see below the link to the annual report of the Company for the year ended 31 March 2022:

English:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0728/2022072800461.pdf>

Chinese:

https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0728/2022072800462_c.pdf

The audited consolidated financial statements of the Group for each of the three years ended 31 March 2022, 2023 and 2024 (but not any other parts of the annual reports for the years ended 31 March 2022, 2023 and 2024) and for the six months ended 30 September 2024 (but not any other parts of the interim report for the six months ended 30 September 2024) are incorporated by reference into this Composite Document and form part of this Composite Document.

(C) STATEMENT OF INDEBTEDNESS

As at the close of business on 31 December 2024, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this Composite Document, the Group had the following indebtedness:

Bank Borrowings and Mortgages

As of the close of business on 31 December 2024, the Group had bank borrowings and other borrowings of approximately HK\$7.2 million and HK\$103.0 million respectively. Other borrowings of approximately HK\$60 million were secured by the Group's leasehold properties situated in Hong Kong. Bank borrowings of approximately HK\$7.2 million were guaranteed by a personal guarantee provided by a shareholder of the Company.

Lease Liabilities

As at the close of business on 31 December 2024, the Group, as a lessee, had outstanding unpaid contractual lease liabilities of approximately HK\$7.2 million in relation to the remaining lease terms of the right-of-use assets which are unsecured and unguaranteed.

Capital Commitment

As at 31 December 2024, the Group did not have any material capital commitment.

Disclaimers

Save as aforesaid or otherwise disclosed herein, and apart from intra-group liabilities, normal trade and other payables and contract liabilities, as at 31 December 2024, the Group did not have any material debt securities issued and outstanding, or authorised or otherwise created but unissued, or term loans, other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities

under acceptance (other than normal trade bills), acceptance credits, hire purchase commitments, mortgages, charges or other material contingent liabilities or guarantees.

(D) MATERIAL CHANGE

Save as and except for disclosed below, the Directors confirm that there was no material change in the financial or trading position or outlook of the Group since 31 March 2024 (being the date to which the latest published audited financial statements of the Group were made up) up to and including the Latest Practicable Date:

- (1) as disclosed in the interim report of the Group for the six months ended 30 September 2024 (the “**2024 Interim Report**”), the Group’s computer and electronic product trading business has faced unprecedented challenges and uncertainties in its overall trading business environment during the six months ended 30 September 2024 (“**6M2024**”). The revenue from the Group’s computer and electronic product trading business decreased by approximately HK\$51.4 million, or approximately 36.5%, from approximately HK\$141.0 million for the six months ended 30 September 2023 (“**6M2023**”) to approximately HK\$89.6 million for 6M2024. Meanwhile, the Group’s revenue from computer and electronic product trading contributed to approximately 52.8% of the Group total revenue for 6M2024 as compared to approximately 71.5% for 6M2023. Nevertheless, contributed by the tight control of the operations in this segment, the Group recorded a segment profit of approximately HK\$3.6 million for 6M2024 compared to loss of approximately HK\$28.5 million for 6M2023 and loss of HK\$22.2 million for the financial year ended 31 March 2024;
- (2) as disclosed in the 2024 Interim Report, the revenue from the Group’s food trading business decreased by approximately HK\$21.3 million, or approximately 38.3%, from approximately HK\$55.6 million for 6M2023 to approximately HK\$34.3 million for 6M2024. This food trading business incurred loss as compared to a segment profit for the financial year ended 31 March 2024;
- (3) as disclosed in the 2024 Interim Report, the Group’s financial services business recorded a segment revenue of approximately HK\$38.7 million for 6M2024, representing approximately 60.2 times over the segment revenue of approximately HK\$643,000 for 6M2023. Such increased was mainly attributable to the gradual recovery from the economic downturn caused by the pandemic and this segment’s commitment to expanding its operations to reach more clients, demonstrating a proactive approach to capturing new opportunities and strengthening its market presence;

- (4) as disclosed in the 2024 Interim Report, the Group commenced its family office service business in 2024, offering customers in Greater China a comprehensive financial and professional service platform to support their goals of “wealth preservation, appreciation, and inheritance planning”. The family office services business achieved the segment revenue of approximately HK\$7.2 million for 6M2024 and accounted for approximately 4.2% of the Group’s total revenue for 6M2024;
- (5) as disclosed in the 2024 Interim Report, the Group recorded an increase in general and administrative expenses by approximately HK\$30.2 million or approximately 151.6%, from approximately HK\$19.9 million for 6M2023 to approximately HK\$50.1 million for 6M2024;
- (6) as disclosed in the 2024 Interim Report, the Group recorded an increase in gross profit from gross loss of HK\$6.2 million for 6M2023 to gross profit of approximately HK\$54.0 million for 6M2024;
- (7) as disclosed in the 2024 Interim Report, the Group recorded a net profit of approximately HK\$3.9 million for 6M2024 and turned around from a net loss of approximately HK\$42.2 million for 6M2023. The turnaround was primarily attributed to (i) the increase in the profits from the sales of computer and electronic products due to a shift of product mix; (ii) the transition from losses to profits in the financial services segment, driven by a surge in market activity and positive sentiment; and (iii) the generation of profit from services related to family office business;
- (8) the written off of fixed assets of approximately HK\$2.56 million due to the closure of a shop in November 2024 after the 6M2024;
- (9) the total borrowings decreased from approximately HK\$122.9 million as at 31 March 2024 to approximately HK\$110.2 million as at 31 December 2024 as disclosed in the section headed “Indebtedness Statement of the Group” in this Appendix II. The decrease was primarily attributable to the repayment of borrowings during the period from 1 April 2024 to 31 December 2024, which also resulted in a corresponding reduction in cash and cash equivalents of the Group; and

(10) property interests (recorded at cost less depreciation previously) was lower than the market value assessed under the property valuation report as set out in Appendix III to this Composite Document, the calculation of which as set out in the paragraph headed “Adjusted Unaudited Net Asset Value” below in this Appendix.

(E) UNAUDITED ADJUSTED NET ASSET VALUE

By taking into account the effect of fair value changes arising from the valuation of all the property interests of the Group as at 28 February 2025 (as contained in the property valuation report of the Group (the “**Valuation Report**”) set out in Appendix III to this Composite Document), set out below is the calculation of the unaudited adjusted net assets value of the Group:

| | HK\$’000 (except for the adjusted net asset value per Share) |
|---|---|
| Unaudited consolidated net asset value of the Group attributable to Shareholders as at 30 September 2024 (<i>Note 1</i>) | 280,136 |
| Adjustments: | |
| — Fair value changes on the property interests of the Group as at 28 February 2025 attributable to Shareholders based on the Valuation Report (<i>Note 2</i>) | (56,034) |
| Adjusted net asset value | 224,102 |
| Adjusted net asset value per Share (<i>Note 3</i>) | HK\$2.89 |

Notes:

1. The amount is extracted from the unaudited consolidated statement of financial position of the Group as at 30 September 2024.

2. The fair value change represents the difference of market value of the property interests as at 28 February 2025 with their corresponding carrying amount as at 28 February 2025 less the amount attributable to minority shareholders of the Group, as illustrated below:

| Calculation of fair value gain | <i>HK\$'000</i> |
|---|-----------------|
| Fair value of property interests of the Group as at 28 February 2025 (as set out in Appendix III to this Composite Document) | 123,500 |
| Less: Carrying value of the relevant property interests as at 28 February 2025 | 179,534 |
| Fair value loss (<i>note 4</i>) | (56,034) |
| Among which attributable to the Shareholders | (56,034) |

3. The adjusted net asset value per Share is arrived at on the basis of 77,423,775 Shares in issue as at the Latest Practicable Date.
4. On 5 February 2025, the management have decided to change the relevant properties to investment properties to earn rentals and for capital appreciation. The change of use of assets would lead to the recognition of fair value decrease.

The following is the text of a letter, summary of values and valuation report, prepared for the purpose of incorporation in this Circular received from RHL Appraisal Limited, an independent valuer, in connection with its valuation of the properties held by the Hunlicar Group Limited, together with its subsidiaries as at 28 February, 2025.



**The Board of Directors
Hunlicar Group Limited**

12 March 2025

22/F

Sun Hung Kai Centre,
30 Harbour Road,
Wan Chai,
Hong Kong

Dear Sirs/Madam,

INSTRUCTIONS

We refer to your instruction for us to value the properties interests (the “**Properties**”) held by Hunlicar Group Limited (the “**Company**”) or its subsidiaries (together referred as the “**Group**”) located in the Hong Kong. We confirm that we have carried out property inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of market value of the Properties as at 28 February 2025 (the “**Valuation Date**”).

This letter which forms part of our valuation report explains the basis and methodology of valuation, clarifying assumptions, valuation considerations, title investigations and limiting conditions of this valuation.

BASIS OF VALUATION

The valuation is our opinion of the market value (the “**Market Value**”) which we would define as intended to mean the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably prudently and without compulsion.

Market Value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase and without offset for any associated taxes or potential taxes.

The Market Value is the best price reasonably obtainable in the market by the seller and the most advantageous price reasonably obtainable in the market by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, joint ventures, management agreements, special considerations or concessions granted by anyone associated with the sale, or any element of special value.

VALUATION METHODOLOGY

We have valued property by using direct comparison method, which is adopted based on the principle of substitution, where comparison is made based on prices realized on actual sales and/or asking prices of comparable properties. Comparable properties of similar size, scale, nature, character and location are analysed and carefully weighed against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of capital values.

VALUATION CONSIDERATIONS

In valuing the Property, we have complied with all the requirements contained in Rule 11 of the Code on Takeovers and Mergers of the Securities and Futures Commission and Chapter 5 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and the International Valuation Standards.

VALUATION ASSUMPTION

In our valuation, unless otherwise stated, we have assumed that:

- a. no deleterious or hazardous materials or techniques have been used in the construction of the Properties; and
- b. the Properties are connected to main services and sewers which are available on normal terms.

TITLE INVESTIGATION

We have conducted land search to the Properties, please refer to footnote of “Property Particulars and Opinion of Value” for details.

LIMITING CONDITIONS

We have conducted on-site inspection on 3 March 2025 by Sr Wendy W.Y. Cheung (MHKIS, MRICS).

During the course of our inspections, we did not note any serious defects. However, no structural survey has been made and we are therefore unable to report whether the Property are free from rot, infestation or any other defects. No tests were carried out on any of the services.

We have not carried out detailed on-site measurement to verify the correctness of the areas in respect of the Properties but have assumed that the areas shown on the documents handed to us are correct. All dimensions, measurements and areas are approximate.

Should it be discovered that any contamination, subsidence or other latent defect exists in the Property or on adjoining or neighboring land or that the Property had been or are being put to contaminated use, we reserve right to revise our opinion of value.

We have relied to a very considerable extent on the information provided by the Group and have accepted advices given to us on such matters, in particular, but not limited to tenure, planning approvals, statutory notices, easements, particulars of occupancy, size and floor areas and all other relevant matters in the identification of the Property. The plans including but not limited to location plan, site plan, lot index plan, outline zoning plan, building plan if any, in the report are included to assist the reader to identify the Property for reference only and we assume no responsibility for their accuracy.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also been advised by the Group that no material fact has been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

We do not accept a liability for any interpretation which we have placed on such information which is more properly the sphere of the legal advisers of the Group. Neither have we verified the correctness of any information supplied to us concerning the Property.

Potential Tax Liability

According to the rate of stamp duty for immovable property transaction in Hong Kong, the potential tax liabilities which would arise if the Properties were to be sold at the amount of the valuation is at the rate of 4.25% (for any transaction over amount of HKD20,000,000).

As advised, there is no immediate plan of sales of the Properties, the likelihood of such liability crystalizing is small.

REMARKS

We have valued the property in Hong Kong Dollars (HKD).

We enclose herewith the “Property Particulars and Opinion of Value”.

Yours faithfully,
For and on behalf of
RHL Appraisal Limited

Jessie X. Chen

*MRICS, MSc (Real Estate), BEcon
Senior Associate Director*

Sr Wendy W.Y. Cheung

*MHKIS, MRICS
Associate Director*

Ms Jessie X. Chen is a Registered Professional Surveyor (Valuation) with over 10 years' experience in valuation of properties in HKSAR, Macau SAR, mainland China and the Asia Pacific Region. Ms Chen is a Professional Member of The Royal Institution of Chartered Surveyors.

Sr Wendy W.Y. Cheung is a Professional Member of Hong Kong Institution of Surveyors and The Royal Institution of Chartered Surveyors with over 25 years' experience gained from a local bank and various surveyors firms on property valuation in Hong Kong. She specializes in mortgage valuations, rent reviews, rating objections and stamp duty valuations. She has handled various valuation cases submission to Lands Tribunal under the Land (Compulsory Sale for Redevelopment) Ordinance, Chapter 545. She possesses experience in valuation of different types of properties and capable to handle various valuation exercises competently.

PROPERTY PARTICULARS AND OPINION OF VALUE

| Property | Description and tenure | Particulars of occupancy | Market Value as at 28 February 2025 HKD | | | | | | |
|--|--|--|--|--|--------|-------------------------------------|-----|--|--|
| Office Units Nos. 1,2,3,5,6,7,8 on 33 rd Floor; Car Parking paces Nos. 11-14 on 3 rd Floor of Enterprise Square Three, No. 39 Wang Chiu Road, Kowloon, Hong Kong (1098/75007 th shares of the Remaining Portion of New Kowloon Inland Lot No. 5877) and Car Parking Spaces No. P8 on 2 th Floor and No. P10 on 5 th Floor of Enterprise Square Two, No. 3 Sheung Yuet Road, Kowloon, Hong Kong (18/33578 th shares of New Kowloon Inland Lot No. 6204) | <p>The properties comprises 7 office units and 4 Car Parking Spaces at Enterprise Square Three and 2 Car Parking Spaces at Enterprise Square Two.</p> <p>Enterprise Square Three is a 36-storey office building (including a refuge floor on 26/F) over a 5-level commercial/car parking podium completed in 2004. (KN12/2004(OP))</p> <p>Enterprise Square Two is a 27-storey industrial/ office building (including a refugee floor on 17/F) over a 6-level car parking podium completed in 2001. (KN13/2001(OP))</p> <p>Details of properties are listed as below:</p> <p><u>Enterprise Square Three:</u></p> | <p>Office Units are currently vacant; Car Parking Spaces are subject to various tenancies. (Please refer to Notes)</p> | <p>123,500,000 (HONG KONG DOLLAR ONE HUNDRED TWENTY THREE MILLION AND FIVE HUNDRED THOUSAND ONLY)</p> <p>100% interest attributed to the Group: HKD123,500,000</p> | | | | | | |
| | <table border="1"> <thead> <tr> <th>Properties</th> <th>Usage</th> </tr> </thead> <tbody> <tr> <td>Nos. 1,2,3,5,6,7,8 on 33rd Floor</td> <td>Office</td> </tr> <tr> <td>Nos. 11-14 on 3rd Floor</td> <td>CPS</td> </tr> </tbody> </table> | Properties | Usage | Nos. 1,2,3,5,6,7,8 on 33 rd Floor | Office | Nos. 11-14 on 3 rd Floor | CPS | | |
| Properties | Usage | | | | | | | | |
| Nos. 1,2,3,5,6,7,8 on 33 rd Floor | Office | | | | | | | | |
| Nos. 11-14 on 3 rd Floor | CPS | | | | | | | | |

According to the developer's sales brochure, the saleable area of office portion is approximately 11,256 square feet.

The Remaining Portion of New Kowloon Inland Lot No. 5877 is held under Conditions of Sale No. UB12509 for a lease term of 50 years commencing on 19 February 1998.

Enterprise Square Two:

| Properties | Usage |
|---------------------------------|-------|
| No. 8 on 2 nd Floor | CPS |
| No. 10 on 5 th Floor | CPS |

New Kowloon Inland Lot No. 6204 is held under Conditions of Sale No. 12523 for a lease term of 50 years commencing on 2 July 1998.

Notes:

1. Pursuant to the land search dated 25 February 2025, the registered owner of the office units Nos. 1,2,3,5,6,7,8, Car Parking Spaces Nos. 11–14 on 3rd Floor of Enterprise Square Three is Huabang Financial Investments Limited for the consideration of HKD219,765,000 (pt.) vide memorial no. 18042700280039 dated 8 April 2018. As advised by instructing party, Huabang Financial Investments Limited is an indirectly wholly-owned subsidiary of Hunlicar Group Limited. Other details of land search are as below:
 - i. Waiver Letter vide memorial no. UB7752680 dated 30 April 1999.
 - ii. Modification Letter vide memorial no. UB8875484 dated 5 February 2003.
 - iii. Deed of Grant of Rights And Easements with Plans vide memorial no. UB9148336 dated 27 February 2004.
 - iv. Certificate of Compliance vide memorial no. UB9305834 dated 19 August 2004.
 - v. Deed of Mutual Covenant and Management Agreement in favour of Kerry Property Management Service Limited (The Manager) vide memorial no. UB9329131 dated 26 August 2004;
 - vi. Mortgage vide memorial no. 24121702180085 in favour of KB Financial Planning Limited Incorporated for the consideration of HKD ALL MONEYS (pt.) dated 29 November 2024.
 - vii. Rental Assignment vide memorial no. 24121702180098 in favor of KB Financial Planning Limited dated 29 November 2024.
2. Pursuant to the land search dated 25 February 2025, the registered owner of the Car Parking Space No. P8 on 2nd Floor and No. P10 on 5th Floor of Enterprise Square Two is Top Harvest Capital Limited for the consideration of HKD49,892,000 (pt.) vide memorial no. 11032501840252 dated 15 March 2011. As advised by instructing party, Top Harvest Capital Limited is an indirectly wholly-owned subsidiary of Hunlicar Group Limited. Other details of land search are as below:
 - i. Modification Letter vide memorial no. UB8384433 dated 16 May 2001;
 - ii. Occupation Permit (Permit No. KN13/2001(OP)) vide memorial no. UB8395801 dated 7 April 2001;
 - iii. Certificate of Compliance vide memorial no. UB8397079 dated 29 May 2001;
 - iv. Deed of Mutual Covenant and Management Agreement in favour of Kerry Property Management Service Limited (The Manager) vide memorial no. UB8622653 dated 5 June 2001;
 - v. Legal Charge vide memorial no. 24121702180114 in favour of KB Financial Planning Limited Incorporated for the consideration of HKD ALL MONEYS (pt.) dated 29 November 2024;
 - vi. Rental Assignment vide memorial no.24121702180120 in favour of KB Financial Planning Limited dated 29 November 2024.

3. Pursuant to a tenancy agreement entered into between Huabang Financial Investments Limited (the “**Lessor**”) and BWC Financial Group (China) Limited (the “**Lessee**”), Car Parking Space No.14 on 3rd Floor at Enterprise Square Three has been leased to the Lessee with a term commencing on 1 September 2024 and expiring on 31 August 2025 at a monthly rental of HKD4,500 exclusive of Government Rates, management fee and other outgoings for car parking use.
4. Pursuant to a tenancy agreement entered into between Top Harvest Capital Limited (the “**Lessor**”) and Mapling International Limited (the “**Lessee**”), Car Parking Space No. P10 on 5th Floor at Enterprise Square Two has been leased to the Lessee with a term commencing on 1 October 2024 and expiring on 30 September 2025 at a monthly rental of HKD3,800 exclusive of Government Rates, management fee and other outgoings for car parking use.
5. The Government Rents of the Properties are subject to the amount equal to 3% of rateable value per annum.
6. According to approved Ngau Tau Kok & Kowloon Bay Outline Zoning Plan No. S/K13/32 gazetted on 16 December 2022, the subject Properties were zoned as “Other Specified Uses (Business)”.
7. Subject Properties are situated in a business hub which clusters numbers of Commercial buildings in the vicinity. The accessibility of the subject properties is reasonable. Public transports serving the vicinity include franchised buses, public light buses and taxis. 15-minutes walk can reach Kowloon Bay MTR Station — Kwun Tong Line.

RESPONSIBILITY STATEMENT

This Composite Document includes particulars given in compliance with the Takeovers Code for the purpose of giving information with regard to the Partial Offer.

As at the Latest Practicable Date, the Board comprises Mr Cheung, Mr Chan Wing Sum, Mr Qu Hongqing and Ms Luo Ying as executive Directors, and Mr Loo Hong Shing Vincent, Mr Leung Wai Kwan and Mr Lee Ka Leung Daniel as independent non-executive Directors. The Directors jointly and severally accept full responsibility for the accuracy of information contained in this Composite Document (other than the information relating to the Offeror) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than those expressed by the sole director of the Offeror in his capacity as such) 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.

As at the Latest Practicable Date, the sole director of the Offeror is Mr Cheung. The sole director of the Offeror accepts full responsibility for the accuracy of information contained in this Composite Document (other than the information relating to the Group) 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 in their capacity as such) 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.

SHARE CAPITAL OF THE COMPANY

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

Authorized share capital

| | | |
|-------------|---------------------------------|----------------------|
| 800,000,000 | ordinary shares of HK\$0.1 each | <u>80,000,000.00</u> |
|-------------|---------------------------------|----------------------|

Issued and fully paid share capital

| | | |
|------------|---------------------------------|---------------------|
| 77,423,775 | ordinary shares of HK\$0.1 each | <u>7,742,377.50</u> |
|------------|---------------------------------|---------------------|

The total Shares in issued as at 31 March 2024 are 78,923,775 Shares. On 6 December 2024, a total of 1,500,000 treasury shares were cancelled.

As at the Latest Practicable Date, other than the 77,423,775 Shares in issue, the Company has no other relevant securities in issue. All existing Shares rank equally in all respects, including in particular as to capital, dividends and voting.

DISCLOSURE OF INTERESTS

(a) Interests of the Directors in the Shares

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or shares and debentures of any of its associated corporations (within the meaning of Part XV of the SFO) which were required 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 to have under such provisions of the SFO); or recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, or required to be disclosed under the Takeovers Code were as follows:

| Name of Director/ Chief Executive | Capacity | Number of Shares or underlying Shares | Approximate percentage of the issued share capital of the Company (%) |
|--------------------------------------|---------------------------------------|--|---|
| Mr Cheung | Interest of controlled corporation | 19,394,966 (L) (note 2) | 25.05% |
| | Beneficial interest | 3,750,000 (L) | 4.84% |

Notes:

- The letter "L" denotes the person's long position in such securities. The number of Shares are the number of Shares held as at the Latest Practicable Date and the percentage of the issued share capital of the Company is calculated on the basis of 77,423,775 Shares in issue as at the Latest Practicable Date.
- These 19,394,966 Shares are held through Talent Virtue International Limited, a company wholly owned by Mr Cheung. Accordingly, Mr Cheung is also interested in 19,394,966 Shares for which Talent Virtue International Limited is interested in.
- The approximate percentage figures are rounded to the nearest two decimal places.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests and short positions in the Shares, underlying Shares and debentures of the Company or shares and debentures of any of its associated corporations (within the meaning of Part XV of the SFO) which were required 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 to have under such provisions of the SFO); or recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, or required to be disclosed under the Takeovers Code.

(b) Interests of substantial Shareholders in the Shares

As at the Latest Practicable Date, Shareholders (other than the interest disclosed above in respect of the Directors or the chief executives of the Company) who had interests and short positions in the Shares, underlying Shares and debentures of the Company which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, or recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

| Name of Shareholder | Capacity | Number of Shares or underlying Shares | Approximate percentage of the issued share capital of the Company (%) |
|--|---------------------|--|--|
| Talent Virtue International Limited | Beneficial interest | 19,394,966 (L) | 25.05% |
| Shen Pei Lin | Beneficial interest | 9,876,333 (L) | 12.76% |

Notes:

- 1) The letter "L" denotes the person's long position in such securities. The number of Shares are the number of Shares held as at the Latest Practicable Date and the percentage of the issued share capital of the Company is calculated on the basis of 77,423,775 Shares in issue as at the Latest Practicable Date.
- 2) The approximate percentage figures are rounded to the nearest two decimal places.

Save as disclosed above and in the letter from Zheshang International in this Composite Document, as at the Latest Practicable Date, there was no person who (a) had interests and short positions in the Shares, underlying Shares and debentures of the Company which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, or recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO; or (b) were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying the right to vote in all circumstances at general meetings of the Company or any options in respect of such capital.

(c) Interests and short positions of the Offeror and parties acting in concert with them in the Shares

As at the Latest Practicable Date, save as disclosed in the letter from Zheshang International and in the paragraph headed “Interests of substantial Shareholders in the Shares” above in this Composite Document, none of the Offeror, its sole director or the parties acting in concert with them had any interest in, owned, controlled or directed any Shares or other relevant securities of the Company.

(d) Other disclosures

As at the Latest Practicable Date:

- (1) none of the Offeror or parties acting in concert with it has received any irrevocable commitment to accept or approve the Partial Offer;
- (2) there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of the Offeror or the Company and which may be material to the Partial Offer (as referred to in Note 8 to Rule 22 of the Takeovers Code);
- (3) there is no agreement or arrangement to which the Offeror or any of the parties acting in concert with it is 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 Partial Offer;
- (4) the Company had no shareholding in the Offeror or any warrants, options, convertible securities or derivatives or relevant securities in respect of any shares of the Offeror;
- (5) save for Mr Cheung, none of the Directors were interested in any shares of the Offeror or any warrants, options, convertible securities or derivatives or relevant securities in respect of any shares of the Offeror;

- (6) save as disclosed in the paragraph headed “Interest of the Directors in the Shares” above, none of the Directors were interested in any Shares or any warrants, options, convertible securities or derivatives or relevant securities in respect of any Shares;
- (7) none of the subsidiaries of the Company, pension funds of the Company or of a subsidiary of the Company or a person who is presumed to be acting in concert with the Company by virtue of Class (5) of the definition of “acting in concert” under the Takeovers Code or an associate of the Company by virtue of class (2) of the definition of “associate” under the Takeovers Code but excluding any exempt principal traders and exempt fund managers, owned or controlled any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares;
- (8) 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” under the Takeovers Code or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of “associate” under the Takeovers Code;
- (9) no fund managers (other than exempt fund managers) connected with the Company had managed any relevant securities on a discretionary basis;
- (10) neither the Company nor any of the Directors had borrowed or lent any Shares or any convertible securities, warrants, options or derivatives or relevant securities in respect of any Shares, save for any borrowed Shares which have been either on-lent or sold;
- (11) none of the Offeror nor parties acting in concert with it has borrowed or lent any relevant securities in the Company, save for any borrowed Shares which have been either on-lent or sold;
- (12) none of the Directors is Qualifying Shareholder who is subject to the Partial Offer;
- (13) other than the Offer Price under the Partial Offer, there is no other consideration, compensation or benefit in whatever form paid or to be paid by the Offeror or parties acting in concert with it in connection with the Partial Offer;

- (14) there was no agreement, arrangement or understanding that the Offer Shares acquired in pursuance to the Partial Offer would be transferred, charged or pledged to any other persons;
- (15) there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between any Shareholder on the one hand and the Company, its subsidiaries or associated companies on the other hand; and
- (16) there was no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between any Shareholder on the one hand and the Offeror and any parties acting in concert with it on the other hand.

ARRANGEMENTS AFFECTING OR RELATING TO THE DIRECTORS

As at the Latest Practicable Date:

- (1) 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 Partial Offer;
- (2) there was no agreement or arrangement between any Director and any other person which is conditional on or dependent upon the outcome of the Partial Offer or otherwise connected with the Partial Offer;
- (3) no agreement, arrangement or understanding (including any compensation arrangement) existed between the Offeror or any person acting in concert with it and any Directors or recent Directors, or any Shareholders or recent Shareholders which had any connection with or dependence upon the Partial Offer; and
- (4) no material contracts had been entered into by the Offeror in which any Director has a material personal interest.

DEALINGS IN SHARES

- (1) Neither the Company, any of its subsidiaries, nor any Directors had dealt for value in any shares of the Offeror or any other convertible securities, warrants, options or derivatives in respect of the shares of the Offeror during the Relevant Period;
- (2) none of the Offeror or parties acting in concert with it had dealt for value in any of the relevant securities of the Company during the Relevant Period;
- (3) none of the Company or the Directors had dealt for value in any Shares, convertible securities, warrants, options or derivatives or any relevant securities in respect of any Shares during the Relevant Period;
- (4) none of the subsidiaries of the Company, pension funds of the Company or of a subsidiary of the Company or a person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of “acting in concert” under the Takeovers Code or an associate of the Company by virtue of class (2) of the definition of “associate” under the Takeovers Code but excluding any exempt principal traders and exempt fund managers, had dealt for value in any Shares or any convertible securities, warrants, options or derivatives of the Company during the period commencing at the start of the Offer Period and ending on the Latest Practicable Date;
- (5) 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” under the Takeovers Code or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of “associate” under the Takeovers Code and no such person dealt for value in any Shares or any convertible securities, warrants, options or derivatives of the Company during the period commencing at the start of the Offer Period and ending on the Latest Practicable Date; and
- (6) no fund managers connected with the Company who managed funds on a discretionary basis had dealt for value in any Shares or any other convertible securities, warrants, options or derivatives in respect of the Shares during the period commencing at the start of the Offer Period and ending on the Latest Practicable Date.

MARKET PRICES

The table below shows the closing price per Share as quoted on the Stock Exchange on the Latest Practicable Date; (b) the Last Trading Day; and (c) the last trading day of each of the calendar months during the Relevant Period.

| Date | Closing price per Share HK\$ |
|--|---|
| 30 August 2024 | 5.88 |
| 30 September 2024 | 4.60 |
| 31 October 2024 | 4.60 |
| 29 November 2024 | 4.60 |
| 31 December 2024 | 4.68 |
| 28 January 2025 | 4.65 |
| 28 February 2025 | 5.00 |
| Last Trading Day (i.e. 20 February 2025) | 5.06 |
| Latest Practicable Date (i.e. 10 March 2025) | 5.07 |

MATERIAL CONTRACTS

Save as disclosed below, the Group had not, within the two years immediately preceding the commencement of the Offer Period and up to and including the Latest Practicable Date, entered into any contract (not being a contract entered into in the ordinary course of business carried on or intended to be carried on by the Group), which is or may be material:

- (i) the placing agreement dated 5 September 2023 entered into between the Company and Mouette Securities Company Limited in relation to the Company's placing of 105,228,000 Shares at the placing price of HK\$0.25 under general mandate, which was completed on 19 September 2023; and
- (ii) the placing agreement dated 17 November 2023 entered into between the Company and the Mouette Securities Company Limited in relation to the placing of unsubscribed rights shares and the rights shares which would otherwise have been provisionally allotted to the non-qualifying shareholders in nil-paid form that have not been sold by the Company in connection with the rights issue.

MATERIAL LITIGATION

As at the Latest Practicable Date, none of the members of the Group was engaged in any litigation or arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group.

DIRECTORS' SERVICE CONTRACTS

Mr Loo Hong Shing Vincent, an independent non-executive Director of the Company, has entered into a service agreement with the Company to extend his appointment for three years commencing from 25 June 2024, and is subject to retirement by rotation and re-election at the general meetings of the Company pursuant to the articles of association of the Company. His appointment as an independent non-executive Director can be terminated by three months' notice in writing served by either party on another. He will receive an emolument of HK\$161,000 per annum, which is determined by the Board with reference to his experience, duties and responsibilities in the Company and the current market rate.

Mr Cheung, an executive Director, entered into a service agreement with the Company with effect from 2 July 2024 without a specific term. The service agreement can be terminated by giving three months' prior written notice or in certain circumstances as in accordance with the terms of the service agreement. He is subject to retirement by rotation and re-election pursuant to the articles of association of the Company. Under the service agreement, he is entitled to a fixed remuneration of HK\$280,000 per month and bonus payable at the discretion of the Board which was determined with reference to the prevailing market conditions and his effort and expertise. His remuneration and other benefits are subject to review by the Board from time to time.

Mr Leung Wai Kwan, an independent non-executive Director of the Company, has entered into a service agreement with the Company for a term of three years commencing from 24 September 2024, and is subject to retirement by rotation and re-election at the general meetings of the Company pursuant to the articles of association of the Company. His appointment as an independent non-executive Director can be terminated by three months' notice in writing served by either party on another. He will receive an emolument of HK\$161,000 per annum, which is determined by the Board with reference to his experience, duties and responsibilities in the Company and the current market rate.

Mr Lee Ka Leung Daniel, an independent non-executive Director of the Company, has entered into a service agreement with the Company for a term of three years commencing from 1 February 2025, and is subject to retirement by rotation and re-election at the general meetings of the Company pursuant to the articles of association of the Company. His appointment as an independent non-executive Director can be terminated by three months' notice in writing served by either party on another. He will receive an emolument of HK\$161,000 per annum, which is determined by the Board with reference to his experience, duties and responsibilities in the Company and the current market rate.

Save as disclosed above as at the Latest Practicable Date, none of the Directors had entered into any service contracts with the Company or any of its subsidiaries or associated companies which (i) (including both continuous and fixed-term contracts) have been entered into or amended within 6 months preceding the commencement of the Offer Period; (ii) are a continuous contract with a notice period of 12 months or more; or (iii) is a fixed-term contract with more than 12 months to run irrespective of the notice period.

EXPERTS AND CONSENT

The following are the names and qualifications of each of the experts who has been named in this Composite Document or who has given opinion or advice, which is contained in or referred to in this Composite Document:

| Name | Qualification |
|-----------------------------------|---|
| HKICM | a corporation licensed under the SFO permitted to engage in Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities (as defined under the SFO), and the financial adviser to the Offeror in respect of the Partial Offer |
| Emperor Corporate Finance Limited | a corporation licensed under the SFO permitted to engage in Type 1 regulated activity (dealing in securities) and Type 6 regulated activity (advising on corporate finance), being the Independent Financial Adviser |

| Name | Qualification |
|------------------------|---|
| Zheshang International | the agent of the Offeror who is making the Partial Offer for and on behalf of the Offeror, a licensed corporation under the SFO, licensed to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts), and Type 9 (asset management) regulated activities |
| RHL Appraisal Limited | an independent qualified property valuer |

Each of the abovementioned experts has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion in this Composite Document of the opinion, letter or report (as the case may be) and references to its name in the form and context in which it is included.

MISCELLANEOUS

- (1) Information regarding the Offeror and its principal concert party is set out below:
 - (i) The registered office of the Offeror is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola VG1110, British Virgin Islands.
 - (ii) As at the Latest Practicable Date, the principal concert party of the Offeror is the sole director and sole shareholder of the Offeror, Mr Cheung. His correspondence address is Flat A, 20/F., Tai Sing Building, 1-A Sands Street, Kennedy Town, Hong Kong.
- (2) The registered office of Zheshang International is at Room 1703-06, 17/F., Infinitus Plaza, 199 Des Voeux Road Central, Sheung Wan, Hong Kong.
- (3) The registered office of HKICM is at Room 1809-11, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong.
- (4) The registered office of the Company is maintained by Maples Corporate Services Limited of PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The principal place of business of the Company in Hong Kong is at 22/F, Sun Hung Kai Centre, 30 Harbour Road, Wan Chai, Hong Kong. The

Company is a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 3638).

- (5) The Group is principally engaged in the engaged in (i) computer and electronic products trading business (including computer and peripheral products and electronics products business), (ii) food trading business, (iii) financial services business (including securities brokerage business, advisory services business and money lending business) and (iv) family office services business.
- (6) The Independent Financial Adviser is Emperor Corporate Finance Limited whose registered office is at 23/F, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong.
- (7) The Hong Kong branch share registrar of the Company is Tricor Investor Services Limited, whose address is situated at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (8) In case of inconsistency, the English text of this Composite Document and the Form of Approval and Acceptance shall prevail over the Chinese texts.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection (i) on the SFC's website at www.sfc.hk; and (ii) on the Company's website at www.3638hk.com, during the period from the Despatch Date, up to the Final Closing Date:

- (1) the memorandum and articles of association of the Offeror;
- (2) the memorandum and articles of association of the Company;
- (3) the annual reports of the Company for the three financial years ended 31 March 2022, 2023 and 2024;
- (4) the interim report of the Company for the six months period ended 30 September 2024;
- (5) the letter from Zheshang International, the text of which is set out on pages 6 to 20 of this Composite Document;
- (6) the letter from the Board, the text of which is set out on pages 21 to 26 of this Composite Document;

- (7) the letter from the Independent Board Committee, the text of which is set out on pages 27 to 28 of this Composite Document;
- (8) the letter from the Independent Financial Adviser, the text of which is set out on pages 29 to 57 of this Composite Document;
- (9) the property valuation report as set out in Appendix III;
- (10) the material contracts referred in the section headed “Material Contracts” in this Appendix IV;
- (11) the service agreements or letters of appointment (as the case may be) referred to in the paragraph headed “Directors’ service contracts” in this Appendix IV;
- (12) the written consents as referred to in the section headed “Experts and Consents” in this Appendix IV; and
- (13) this Composite Document.