
THIS OFFER DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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

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 Offer Document, make no representation as to their 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 Offer Document.

This Offer Document is not for release, publication or distribution in or into any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction.

MR. SZE CHING LAU

**VOLUNTARY CONDITIONAL CASH OFFERS BY
SHENWAN HONGYUAN CAPITAL (H.K.) LIMITED
ON BEHALF OF SZE CHING LAU
TO ACQUIRE ALL OF THE ISSUED SHARES AND ALL OUTSTANDING
CONVERTIBLE BONDS OF
NEW SPARKLE ROLL INTERNATIONAL GROUP LIMITED
(OTHER THAN THOSE ALREADY OWNED BY OR TO BE ACQUIRED
BY SZE CHING LAU AND PARTIES ACTING IN CONCERT WITH HIM)
AND TO CANCEL ALL THE OUTSTANDING SHARE OPTIONS OF
NEW SPARKLE ROLL INTERNATIONAL GROUP LIMITED**

Financial Adviser to the Offeror



Shenwan Hongyuan Capital (H.K.) Limited

Capitalised terms used on this cover shall have the same meanings as those defined in Part I — Definitions of this Offer Document unless the content requires otherwise.

A letter from Shenwan Hongyuan containing, among other things, the details of the terms and conditions of the Offers are set out on pages 10 to 24 of this Offer Document.

The procedures for acceptance and settlement of the Offers are set out on pages I-1 to I-13 in Appendix I to this Offer Document and in the accompanying Forms of Acceptance. Acceptances of the Share Offer must be received by the Receiving Agent, Tricor Investor Services Limited, at 6/F, Manulife Place, 348 Kwun Tong Road, Kowloon, Hong Kong by no later than 4:00 p.m. on Friday, 22 December 2023, or such later time and/or date as the Offeror may determine and announce with the consent of the Executive and in accordance with the Takeovers Code.

Acceptances of the Option Offer and the Convertible Bond Offer must be received by the Offeror at 29/F, The Sun's Group Centre, 200 Gloucester Road, Wan Chai, Hong Kong by no later than 4:00 p.m. on Friday, 22 December 2023, or such later time and/or date as the Offeror may determine and announce with the consent of the Executive and in accordance with the Takeovers Code.

The English language text of this Offer Document and the accompanying Forms of Acceptance shall prevail over the Chinese version for the purpose of interpretation.

24 November 2023

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In this Offer Document, the following expressions have the meanings set out below, unless the context requires otherwise:

“2012 Share Option Scheme”	share option scheme of the Company adopted on 20 August 2012
“2022 Share Option Scheme”	share option scheme of the Company adopted on 29 September 2022
“acting in concert”	has the meaning given to it in the Takeovers Code and “concert parties” should be construed accordingly
“Announcement”	announcement of the Offeror dated 5 October 2023 in relation to, among other things, the Offers
“Announcement Date”	5 October 2023, being the date of the Announcement
“associate(s)”	has the meaning given to it in the Takeovers Code
“ BLUE Form of Convertible Bond Offer Acceptance”	the BLUE form of acceptance and transfer of the Convertible Bonds in respect of the Convertible Bond Offer accompanying this Offer Document
“Business Day(s)”	a day on which the Stock Exchange is open for the transaction of business
“CB Holders”	the holders of the Convertible Bonds
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Closing Date”	the First Closing Date or the Final Closing Date or a later closing date as may be announced by the Offeror and approved by the Executive subsequent to the issue of this Offer Document
“Company”	New Sparkle Roll International Group Limited (新耀萊國際集團有限公司), a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 970)
“Condition(s)”	the condition(s) to the Offers as described in the section headed “CONDITIONS TO THE OFFERS” in Part III — Letter from Shenwan Hongyuan of this Offer Document
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules

“Convertible Bond Offer”	the voluntary conditional cash offer being made by Shenwan Hongyuan for and on behalf of the Offeror in compliance with the Takeovers Code to acquire the Convertible Bonds (other than those already owned or agreed to be acquired by the Offeror or the Offeror Concert Parties) in accordance with the terms described in this Offer Document
“Convertible Bonds”	the convertible bonds issued by the Company on 9 February 2021 with an outstanding principal amount of HK\$10,000,000 as at the Latest Practicable Date
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Final Closing Date”	being the date which is the 14th day after (i) the Unconditional Date or (ii) the First Closing Date, whichever is the later
“First Closing Date”	Friday, 22 December 2023, being the first closing date of the Offers
“Forms of Acceptance”	the WHITE Form of Share Offer Acceptance, the BLUE Form of Convertible Bond Offer Acceptance, and the YELLOW Form of Option Offer Acceptance (as the context may require) in respect of the Offers which accompany this Offer Document
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HKSCC Nominees”	HKSCC Nominees Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Last Trading Day”	29 September 2023, being the last trading day of the Shares immediately preceding the Announcement Date
“Latest Practicable Date”	21 November 2023, being the latest practicable date prior to the printing of this Offer Document for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“Offers”	the Share Offer, the Convertible Bond Offer and the Option Offer
“Offer Document”	this offer document issued by the Offeror which sets out, among other things, details of the Offers in accordance with the Takeovers Code
“Offer Period”	has the meaning ascribed to it in the Takeovers Code, being the period commencing from 5 October 2023 (being the Announcement Date) and ending on the later of (i) the date when the Offers close for acceptances; and (ii) the date when the Offers lapse
“Offer Shares”	all the Shares in issue, other than those already owned by or to be acquired by the Offeror or the Offeror Concert Parties
“Offer Shareholders”	the holders of the Offer Shares
“Offeree Announcement”	the announcement of the Company dated 17 October 2023 in relation to the Offers
“Offeror” or “Mr. Sze”	Mr. Sze Ching Lau
“Offeror Concert Parties”	parties acting, or presumed to be acting, in concert with the Offeror including but not limited to (1) Mr. Cha Jung Hoon, Pro Honor and Mr. Lam Chi Kin pursuant to a concert parties deed entered into by the Offeror, Mr. Cha Jung Hoon and Pro Honor on 28 September 2023 and a concert parties deed entered into by the Offeror, Mr. Cha Jung Hoon, Pro Honor and Mr. Lam Chi Kin on 9 November 2023, (2) Mr. Sze Ka Ho, son of the Offeror, and (3) Ms. Tsui Chun Mei, the wife of the Offeror
“Optionholders”	the holders of the Share Options
“Option Offer”	the voluntary conditional cash offer being made by Shenwan Hongyuan for and on behalf of the Offeror in accordance with the Takeovers Code to cancel all outstanding Share Options in exchange for cash in accordance with the terms described in this Offer Document
“PRC”	the People’s Republic of China (for the sole purpose of this Offer Document, excluding Hong Kong, Macao and Taiwan)

“Pro Honor”	Pro Honor Investment Limited, a company incorporated in British Virgin Islands with limited liability which is wholly owned by Mr. Qiu Peiyuan. Pro Honor is an Offeror Concert Party
“Receiving Agent”	Tricor Investor Services Limited, the receiving and paying agent in relation to the Share Offer, situated at 6/F, Manulife Place, 348 Kwun Tong Road, Kowloon, Hong Kong
“Relevant Authority(ies)”	any government, governmental, quasi-governmental, statutory or regulatory authority, body, agency, tribunal, court or institution
“Relevant Period”	the period commencing from 5 April 2023, being the date falling six months preceding the date of the commencement of the Offer Period, up to and including the Latest Practicable Date
“Response Document”	the board circular required to be issued by the Company to all Offer Shareholders, CB Holders and Optionholders in accordance with Rule 8.4 of the Takeovers Code
“Rule 3.8 Offeree Announcements”	the announcements of the Company made pursuant to Rule 3.8 of the Takeovers Code in relation to update on the number of the relevant securities of the Company dated 27 October 2023 and 30 October 2023
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.032 each in the capital of the Company
“Shareholder(s)”	the registered holder(s) of the Shares
“Share Offer”	the voluntary conditional cash offer being made by Shenwan Hongyuan for and on behalf of the Offeror in accordance with the Takeovers Code to acquire all of the outstanding Shares (other than those already owned or agreed to be acquired by the Offeror or the Offeror Concert Parties) in accordance with the terms and conditions set out in this Offer Document

“Share Offer Price”	the price at which the Share Offer is made, being HK\$0.9 per Offer Share
“Share Options”	the share options granted by the Company pursuant to the Share Option Schemes
“Share Option Schemes”	the 2012 Share Option Scheme and the 2022 Share Option Scheme
“Share Registrar”	Tricor Secretaries Limited, the branch share registrar of the Company in Hong Kong situated at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
“Shenwan Hongyuan”	Shenwan Hongyuan Capital (H.K.) Limited (申萬宏源融資(香港)有限公司), a corporation licensed by the SFC to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities, which is making the Offers for and on behalf of the Offeror, and is the financial adviser to the Offeror
“Shenwan Hongyuan Securities”	Shenwan Hongyuan Securities (H.K.) Limited (申萬宏源證券(香港)有限公司), a corporation licensed by the SFC to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities, which is a fellow subsidiary of Shenwan Hongyuan
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Offeror Announcement”	the supplemental announcement of the Offeror dated 9 November 2023 to provide supplementary information in respect of the Offers
“Takeovers Code”	the Code on Takeovers and Mergers published by the SFC
“Unconditional Date”	being the date on which the Offers become or are declared unconditional (i) as to acceptances and/ or (ii) in all respects
“ WHITE Form of Share Offer Acceptance”	the WHITE form of acceptance and transfer of the Offer Shares in respect of the Share Offer accompanying this Offer Document
“ YELLOW Form of Option Offer Acceptance”	the YELLOW form of acceptance and cancellation of the Share Options in respect of the Option Offer accompanying this Offer Document

“%” per cent

All references in this Offer Document to times and dates are references to Hong Kong times and dates, except as otherwise specified.

The expected timetable set out below is indicative and may be subject to change. Any changes to the timetable will be announced by the Offeror as soon as possible.

Hong Kong Time unless indicated otherwise

Date of despatch of this Offer Document and
the accompanying Forms of Acceptance and
the Offers open for acceptance (*Note 1*) Friday, 24 November 2023

Latest date for the posting of
the Response Document (*Note 2*) Friday, 8 December 2023

First Closing Date Friday, 22 December 2023

Latest time and date for acceptance of the Offers
on the First Closing Date (*Notes 3, 4 and 5*) by 4:00 p.m. on
Friday, 22 December 2023

Announcement of the results of the Offers and
the level of acceptance as at the First Closing Date
posted on the website of the Stock Exchange (*Note 3*) by 7:00 p.m. on
Friday, 22 December 2023

Latest date for posting of remittances in respect of
valid acceptances received under the Offers
on or before the First Closing Date (assuming the
Offers become or are declared unconditional
in all respects on the First Closing Date) (*Notes 4 and 6*) Friday, 5 January 2024

Final Closing Date if the Offers become or are
declared unconditional in all respects on
the First Closing Date (*Note 7*) Friday, 5 January 2024

Latest time and date for acceptance of the Offers on the Final Closing Date
assuming that the Offers become or are declared
unconditional in all respects on the First Closing Date (*Notes 4 and 7*) by 4:00 p.m. on
Friday, 5 January 2024

Announcement of the results of the Offers as at the Final
Closing Date posted on the website of the Stock Exchange by 7:00 p.m. on
Friday, 5 January 2024

Latest date for posting of remittances in respect of valid acceptances received under the Offers on or before the Final Closing Date (assuming the Offers become or are declared unconditional in all respects on the First Closing Date) (*Notes 4 and 6*) Tuesday, 16 January 2024

Latest time and date by which the Offers can be declared unconditional as to acceptances (*Note 8*) by 7:00 p.m. on Tuesday, 23 January 2024

Notes:

1. The Offers are made on Friday, 24 November 2023, being the date of despatch of this Offer Document, and is capable of acceptance on and from that date until 4:00 p.m. on the First Closing Date, unless the Offeror revises or extends the Offers in accordance with the Takeovers Code.
2. In accordance with the Takeovers Code, the Company is required to post the Response Document within 14 days from the posting of this Offer Document, unless the Executive consents to a later date. Such consent will only be given if the Offeror agrees to extend the Closing Date by the number of days in respect of which the delay in the posting of the Response Document is agreed.
3. In accordance with the Takeovers Code, where the Response Document is posted after the date on which this Offer Document is posted, the Offers must initially be opened for acceptance for at least 28 days following the date on which this Offer Document is posted. The Offers will be closed at 4:00 p.m. on the First Closing Date unless the Offeror revises or extends the Offers in accordance with the Takeovers Code. The Offeror has the right under the Takeovers Code to extend the Offers until such date as he may determine subject to compliance with the Takeovers Code (or as permitted by the Executive in accordance with the Takeovers Code). An announcement will be issued by the Offeror through the website of the Stock Exchange by 7:00 p.m. on the First Closing Date, stating the results of the Offers and whether the Offers have become or are declared unconditional or have been revised or extended to another closing date or until further notice. Such announcement will comply with the disclosure requirements under Rule 19.1 of the Takeovers Code. In the latter case, at least 14 days' notice in writing must be given, before the Offers are closed, to the Offer Shareholders, the Optionholders and the CB Holders who have not accepted the Offers.
4. If there is a tropical cyclone warning signal number 8 or above or a black rainstorm warning signal in force or "extreme conditions" announced by the government of Hong Kong (i) in force in Hong Kong 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 Offers and the latest date for posting of remittances for the amounts due under the Offers in respect of valid acceptances, the latest time for acceptance of the Offers will remain at 4:00 p.m. on the same Business Day and the date of posting of remittances will remain on the same Business Day; or (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the latest date for acceptance of the Offers and the latest date for posting of remittances for the amounts due under the Offers in respect of valid acceptances, the latest time for acceptance of the Offers will be rescheduled to the following Business Day and the date of posting of remittances will be rescheduled to the following Business Day which does not have either of those warnings in force in Hong Kong at any time after noon.
5. Beneficial owners of the Offer Shares who hold their Offer Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant should note the timing requirements (as set out in Appendix I to this Offer Document) for causing instructions to be made to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures. Acceptances of the Offers are irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code. Please refer to the section headed "RIGHT OF WITHDRAWAL" in Appendix I to this Offer Document for further information on the circumstances where acceptances may be withdrawn.

6. Remittances in respect of the Offer Shares, the Share Options and the Convertible Bonds (after deducting the sellers' ad valorem stamp duty, as applicable) tendered for acceptance under the Offers will be despatched to the accepting Offer Shareholders, Optionholders and CB Holders by ordinary post at their own risk as soon as possible, but in any event no later than seven (7) Business Days after the later of (i) the date on which the Offers become or are declared unconditional in all respects and (ii) the date on which the duly completed Forms of Acceptance and the relevant documents of title of the Offer Shares, the Share Options and the Convertible Bonds are received by the Receiving Agent (in respect of the Share Offer) or the Offeror (in respect of the Convertible Bond Offer and the Option Offer) to render each of such acceptance of the Offers complete and valid in accordance with the Takeovers Code, this Offer Document and the accompanying Forms of Acceptance. Please refer to the sections headed "PROCEDURES FOR ACCEPTANCE OF THE OFFERS" and "SETTLEMENT OF THE OFFER" in Appendix I to this Offer Document and the accompanying Forms of Acceptance for further information.
7. In accordance with the Takeovers Code, if the Offers become or are declared unconditional (whether as to acceptances or in all respects), the Offers should remain open for acceptance for not less than 14 days thereafter. When the Offers become or are declared unconditional in all respects, at least 14 days' notice in writing must be given before the Offers are closed to those Offer Shareholders, Optionholders and CB Holders who have not accepted the Offers. The Offeror has the right, subject to the Takeovers Code, to extend the Offers until such date as he may determine or as permitted by the Executive.
8. In accordance with the Takeovers Code, except with the consent of the Executive, the Offers may not become or be declared unconditional as to acceptances after 7:00 p.m. on the 60th day after the date of despatch of this Offer Document (or such later day as permitted by the Executive in accordance with the Takeovers Code). Accordingly, unless the Offers have previously become or been declared unconditional as to acceptances or have been extended with the consent of the Executive, the Offers will lapse at 7:00 p.m. on Tuesday, 23 January 2024 (or such later day as permitted by the Executive in accordance with the Takeovers Code). In accordance with Rule 15.7 of the Takeovers Code, except with the consent of the Executive, all conditions must be fulfilled or the Offers must lapse within 21 days of the First Closing Date or of the date the Offers become or are declared unconditional as to acceptances, whichever is later.

All times and dates in this Offer Document and the Forms of Acceptance shall refer to Hong Kong local times and dates. Save as mentioned above, if the latest time for the acceptance of the Offers does not take effect on the date and time as stated above, the other dates mentioned above may be affected. The Offeror will notify the Shareholders by way of announcement(s) on any change to the expected timetable as soon as possible.

**SHENWAN HONGYUAN CAPITAL (H.K.) LIMITED**

Level 6, Three Pacific Place, 1 Queen's Road East, Hong Kong

24 November 2023

To the Offer Shareholders, CB Holders and Optionholders

Dear Sir or Madam

**VOLUNTARY CONDITIONAL CASH OFFERS BY
SHENWAN HONGYUAN CAPITAL (H.K.) LIMITED
ON BEHALF OF SZE CHING LAU
TO ACQUIRE ALL OF THE ISSUED SHARES AND ALL OUTSTANDING
CONVERTIBLE BONDS OF
NEW SPARKLE ROLL INTERNATIONAL GROUP LIMITED
(OTHER THAN THOSE ALREADY OWNED BY OR TO BE ACQUIRED
BY SZE CHING LAU AND PARTIES ACTING IN CONCERT WITH HIM)
AND TO CANCEL ALL THE OUTSTANDING SHARE OPTIONS OF
NEW SPARKLE ROLL INTERNATIONAL GROUP LIMITED**

INTRODUCTION

Reference is made to (1) the Announcement in relation to, among other things, the Offers, pursuant to which it was announced that Shenwan Hongyuan will, on behalf of the Offeror, make voluntary conditional cash offers in compliance with the Takeovers Code (i) to acquire all the issued Shares (other than those already owned or agreed to be acquired by the Offeror or the Offeror Concert Parties) at the Share Offer Price of HK\$0.9 per Offer Share; (ii) to acquire all the outstanding Convertible Bonds (other than those already owned or agreed to be acquired by the Offeror or the Offeror Concert Parties); and (iii) to cancel all the outstanding Share Options; (2) the Supplemental Offeror Announcement in relation to, among other things, the supplementary information of the Offers; (3) the Offeree Announcement; and (4) the Rule 3.8 Offeree Announcements.

This letter forms part of this Offer Document and sets out, among other things, details of the Offers, the reasons for making the Offers, the intentions of the Offeror in respect of the Group and certain background information of the Offeror. Further details on the terms of the Offers are set out in Appendix I to this Offer Document and the accompanying Forms of Acceptance.

The Company is required to despatch the Response Document within 14 days after the posting of this Offer Document. Offer Shareholders, Optionholders and CB Holders are advised to read this Offer Document and the Response Document before taking any action in respect of the Offers.

THE OFFERS

On 28 September 2023 (after trading hours), the Offeror notified the Company that he has firm intention to make the Offers (in compliance with the Takeovers Code) through Shenwan Hongyuan (1) to acquire all the Shares not already owned by the Offeror and the Offeror Concert Parties at the Offer Price of HK\$0.9 per Offer Share; (2) to acquire all outstanding Convertible Bonds (other than those already owned or agreed to be acquired by the Offeror); and (3) to cancel all the outstanding Share Options.

The Offers are subject to the satisfaction or waiver (where applicable) of the conditions of the Offers as set out in the section headed “CONDITIONS TO THE OFFERS” in this part.

As at the Latest Practicable Date, save for 104,690,187 Shares, representing 27.28% of the issued Share capital of the Company, held by the Offeror and the Offeror Concert Parties, the Offeror and the Offeror Concert Parties were not interested directly or indirectly in any voting rights or rights over any Shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities.

Principal terms of the Offers*The Share Offer*

Shenwan Hongyuan is, for and on behalf of the Offeror and in compliance with the Takeovers Code, making a voluntary conditional cash offer to acquire all the Offer Shares on the following terms:

For each Offer Share HK\$0.9 in cash

All the Offer Shares to be acquired under the Share Offer shall be (i) fully-paid; (ii) free from mortgage, charge, pledge, lien (otherwise than arising by statute or operation of law), equities, charges or other third party rights and interests of any nature; and (iii) with all rights attached to the Shares including all rights to any dividends and other distributions hereafter declared, paid or made in respect thereof as at the Final Closing Date or subsequently becoming attached to them, including the right to receive or retain all dividends and other distributions, if any, the record date in respect of which falls on or after the Final Closing Date.

Based on the published information of the Company available to the public as at the Latest Practicable Date, there has been no dividend or distribution declared by the Company for the financial year ended 31 March 2023 and up to the Latest Practicable Date.

The Convertible Bond Offer

Shenwan Hongyuan is, for and on behalf of the Offeror and in compliance with the Takeovers Code, making a voluntary conditional cash offer to acquire all the outstanding Convertible Bonds (other than those already owned or agreed to be acquired by the Offeror or the Offeror Concert Parties) in accordance with Rule 13 of the Takeovers Code on the following terms:

For every HK\$1 face value of the Convertible bondsHK\$0.225 in cash

The Convertible Bonds to be acquired under the Convertible Bond Offer shall be (i) fully-paid; and (ii) free from mortgage, charge, pledge, lien (otherwise than arising by statute or operation of law), equities, charges or other third party rights and interests of any nature; and (iii) with all rights attached to the Convertible Bonds including the right to all dividends and other distributions hereafter declared, paid or made in respect thereof as at the Final Closing Date or subsequently becoming attached to them, including the right to receive or retain all dividends and other distributions, if any, the record date in respect of which falls on or after the Final Closing Date.

The Convertible Bond Offer is conditional upon the Share Offer becoming or being declared unconditional in all respects.

The Convertible Bond Offer applies to all outstanding Convertible Bonds in issue on the date on which the Convertible Bond Offer is made (other than those already owned or agreed to be acquired by the Offeror or the Offeror Concert Parties) and does not apply to any Convertible Bonds which are or have been redeemed or converted into Shares prior to the close of the Offers. In the event that the Convertible Bonds or part thereof are converted after the Latest Practicable Date and new Shares are issued pursuant to such conversion, such Shares will form part of the Share Offer.

The offer price for the Convertible Bonds is HK\$0.225 for every HK\$1 face value of the Convertible Bonds, determined in accordance with Rule 13 and Practice Note 6 to the Takeovers Code as the “see-through” consideration for each Convertible Bond, being the number of Shares into which the Convertible Bonds is convertible (being 2,500,000 Shares) multiplied by the Share Offer Price (HK\$0.9 per Share).

The Option Offer

Shenwan Hongyuan is, for and on behalf of the Offeror and in compliance with the Takeovers Code, making an appropriate offer to the Optionholders in accordance with Rule 13 of the Takeovers Code to cancel all the outstanding Share Options on the following terms:

For cancellation of each Share Option. HK\$0.01 in cash

As part of the terms of the 2012 Share Option Scheme and 2022 Share Option Scheme, if a general offer (whether by way of take-over offer, share-repurchase offer, or scheme of arrangement or otherwise in like manner) is made to all the Shareholders (or all holders other than the offeror, its concert parties and persons controlled by the offeror), and the offer becomes or is declared unconditional during the option period of an outstanding Share Option, the Optionholder shall notwithstanding any other terms on which his Share Options were granted, be entitled to exercise the Share Options (to the extent not already exercised) to its full extent or to the extent specified in the Optionholders' notice to the Company in accordance with the terms of the Share Option Schemes at any time thereafter and up to the close of such offer. Following the close of the Offers, the Share Options shall automatically lapse thereafter.

As at the Latest Practicable Date, the Company has (1) 6,050,000 outstanding Share Options under 2012 Share Option Scheme; and (2) 4,300,000 outstanding Share Options under 2022 Share Option Scheme, conferring the rights to the Optionholders to subscribe for an aggregate of 6,050,000 Shares and 4,300,000 Shares at an exercise price of HK\$1.60 and HK\$1.00 on or before, the Closing Date, respectively, totalling 10,350,000 Shares. Since the exercise prices of the outstanding Share Options are both above the Share Offer Price, the outstanding Share Options are out of the money and the offer price for the cancellation of each Share Option is set at a nominal value of HK\$0.01.

The Option Offer is conditional upon the Share Offer becoming or being declared unconditional in all respects. Subject to the Share Offer becoming unconditional in all respects, following acceptance of the Option Offer, the relevant Share Options together with all rights attaching thereto will be entirely cancelled and renounced.

COMPARISON OF VALUE

The Share Offer Price of HK\$0.9 per Offer Share represents:

- (i) a discount of approximately 26.8% to the closing price of HK\$1.23 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 10.0% to the closing price of HK\$1.00 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 8.2% to the average closing price of approximately HK\$0.98 per Share as quoted on the Stock Exchange for the five (5) trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 5.3% over the average closing price of approximately HK\$0.95 per Share as quoted on the Stock Exchange for the 10 trading days up to and including the Last Trading Day;

- (v) a discount of approximately 2.6% over the average closing price of approximately HK\$0.92 per Share as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day; and
- (vi) a discount of approximately 84.7% to the Company's consolidated net asset value attributable to owners of the Company of approximately HK\$5.87 per Share as at 31 March 2023 as set out in the annual report of the Company for the financial year ended 31 March 2023.

The Share Offer Price is determined with reference to (i) prevailing share price of the Shares; and (ii) the Offeror's review of the Group's business based on the publicly available financial information of the Group.

HIGHEST AND LOWEST SHARE PRICE

The highest and lowest closing prices of each Share as quoted on the Stock Exchange during the Relevant Period were HK\$1.60 on 10 November 2023 and 13 November 2023 and HK\$0.86 on 2 August 2023 and 4 August 2023, respectively.

VALUE OF THE OFFERS

Based on the published information of the Company available to the public as at the Latest Practicable Date, the Company has a total of 383,772,090 Shares in issue, of which a total of 104,690,187 Shares are held by the Offeror and the Offeror Concert Parties (representing approximately 27.28% of the total issued Shares). Save for (i) 10,350,000 outstanding Share Options under the Share Option Schemes; and (ii) outstanding Convertible Bonds with an aggregate principal amount of HK\$10,000,000 convertible into 2,500,000 Shares, the Offeror is not aware of the Company having any other relevant securities (as defined in Note 4 to the Rule 22 of the Takeovers Code) in issue as at the Latest Practicable Date.

On the basis of the Share Offer Price of HK\$0.9 per Share and assuming no further Shares are issued whether pursuant to the exercise of Share Options, conversion of Convertible Bonds or otherwise before the close of the Offers, 279,081,903 Shares will be subject to the Share Offer and the Share Offer is valued at approximately HK\$251,173,713.

Assuming none of the Share Options is exercised prior to the close of the Offers, 10,350,000 Share Options will be subject to the Option Offer and assuming that the Option Offer is accepted in full, the Option Offer will be valued at HK\$103,500 based on the offer price for the cancellation of each Share Option at a nominal value of HK\$0.01.

Assuming none of the Convertible Bonds is redeemed or converted prior to the close of the Offers, based on the outstanding face value of HK\$10,000,000 of the Convertible Bonds and the offer price of HK\$0.225 for every HK\$1 face value of the Convertible Bonds, the Convertible Bond Offer is valued at approximately HK\$2,250,000 on the assumption that the Convertible Bond Offer is accepted in full.

Based on the above, the aggregate value of the Offers will be approximately HK\$253,527,213.

Assuming that all the Share Options are exercised by the Optionholders and all the Convertible Bonds are converted, the number of issued Shares will be 396,622,090 Shares (including 104,690,187 Shares held by the Offeror and the Offeror Concert Parties) and therefore 291,931,903 Shares will be subject to the Share Offer. On the basis of the Share Offer Price of HK\$0.9 per Share, the Share Offer will be valued at approximately HK\$262,738,713 and the value of the Convertible Bond Offer and the Option Offer will be nil. Accordingly, the total amount payable by the Offeror under the Offers will be approximately HK\$262,738,713.

CONFIRMATION OF FINANCIAL RESOURCES

The financial resources which are available to the Offeror to satisfy full acceptance of the Offers comprise a combination of (i) the Offeror's own resources; and (ii) a credit line granted to the Offeror by Shenwan Hongyuan Securities.

Shenwan Hongyuan, the financial adviser to the Offeror in respect of the Offers, is satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offers.

CONDITIONS TO THE OFFERS

Conditions to the Share Offer

The Share Offer shall be conditional upon the satisfaction of the following conditions on or before the First Closing Date unless otherwise waived by the Offeror:

- (i) valid acceptances of the Share Offer being received (and not, where permitted withdrawn by 4:00 p.m. on the First Closing Date) (or such later time or date as the Offeror may, subject to the Takeovers Code, decide) in respect of such number of Offer Shares which, together with Shares already owned or agreed to be acquired before or during the Offers, would result in the Offeror and the Offeror Concert Parties holding more than 50% of the voting rights in the Company as at the First Closing Date;

- (ii) the Shares remaining listed and traded on the Stock Exchange up to the First Closing Date (or, if earlier, the Unconditional Date) save for any temporary suspension(s) of trading in the Shares as a result of the Offers and no indication being received on or before the First Closing Date (or, if earlier, the Unconditional Date) from the SFC and/or the Stock Exchange to the effect that the listing of the Shares on the Stock Exchange is or is likely to be withdrawn, other than as a result of either the Offers or anything done or caused by or on behalf of the Offeror or the Offeror Concert Parties;
- (iii) no event, up to the First Closing Date, having occurred which would make the Offers or the acquisition of any of the Shares under the Offers void, unenforceable or illegal or their implementation being prohibited or which would impose material conditions, limitations or obligations with respect to the Offers;
- (iv) no Relevant Authority(ies) in Hong Kong or any other jurisdictions having taken or instigated any action, proceeding, suit, investigation or enquiry, or enacted or made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order that would make the Offers or the acquisition of any of the Shares or securities of the Company under the Offers void, unenforceable or illegal or prohibit the implementation of, or which would impose any material conditions, limitations or obligations with respect to, the Offers (other than such items or events above as would not have a material adverse effect on the legal ability of the Offeror to proceed with or consummate the Offers);
- (v) no event occurring or having occurred which is an event of default or other event giving any lender to any member of the Group a right to accelerate the repayment of any obligations prior to their stated maturity date arising from any financing documentation to which any member of the Group is a party or by which it is bound and no lender to any member of the Group indicating on or prior to the date to be stated in the Offer Document as the First Closing Date that it will exercise such rights to accelerate repayment or claim an event of default; and
- (vi) since the date of the last audited consolidated financial statements of the Company, there having been no change, effect, fact, event or circumstance which has had or would reasonably be expected to have a material adverse effect on, or to cause a material adverse change in, the general affairs, management, financial position, business, prospects, conditions (whether financial, operational, legal or otherwise), earnings, solvency, current or future consolidated financial positions, shareholders' equity or results of operations of the Company or any other member of the Group.

The Offeror reserves the right to waive, in whole or in part, all or any of the Conditions set out above save that Conditions (i) and (iii) cannot be waived. For the avoidance of doubt, based on the publicly available information of the Company, the Offeror has no knowledge and information as to whether any event mentioned in Condition (v) exists as at the Latest Practicable Date.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke the above Conditions as a basis for not proceeding with the Offers only if the circumstances which give rise to a right to invoke such Conditions are of material significance to the Offeror in the context of the Offers. If any of the Conditions cannot be fulfilled or waived by the First Closing Date, the Offers will lapse.

The Offeror will issue an announcement in relation to the revision, extension or lapse of the Offers or the fulfilment (or if permissible, waiver) of the Conditions in accordance with the Takeovers Code and the Listing Rules. As at the Latest Practicable Date, none of the Conditions have been waived or fulfilled.

The latest time on which the Offeror can declare the Offers unconditional as to acceptances is 7:00 p.m. on the 60th day after the posting of the initial Offer Document (or such later date to which the Executive may consent), being Tuesday, 23 January 2024.

In accordance with Rule 15.3 of the Takeovers Code, the Offeror will publish an announcement when the Offers becomes unconditional as to acceptances and when the Offers become unconditional in all respects.

The Offers may or may not become unconditional. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the respective shares of the Company. Persons who are in doubt as to the action they should take should consult a licensed securities dealer or registered institutions in securities, bank manager, solicitor, professional accountant or other professional advisers.

Condition to the Convertible Bond Offer

The Convertible Bond Offer is conditional upon the Share Offer becoming or being declared unconditional in all respects.

Condition to the Option Offer

The Option Offer is conditional upon the Share Offer becoming or being declared unconditional in all respects.

CLOSING OF THE OFFERS

In accordance with Rule 15.1 of the Takeovers Code, the First Closing Date of the Offers will fall on the 28th day from the date of the Offer Document (i.e. Friday, 22 December 2023). Where the Offers become or are unconditional (whether as to acceptances or in all respects), they should remain open for acceptance for not less than 14 days thereafter. The Shareholders, Optionholders and CB Holders are reminded that the Offeror does not have any obligation to keep the Offers open for acceptance beyond this minimum 14-day period.

The latest time on which the Offeror can declare the Offers unconditional as to acceptances is 7:00 p.m. on the 60th day after the posting of the initial Offer Document (or such later date to which the Executive may consent), being Tuesday, 23 January 2024.

ACCEPTANCE OF THE OFFERS

Subject to the Share Offer becoming unconditional, provided that valid acceptance forms and the relevant certificate(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are complete and in good order and have been received by the Receiving Agent, the Offer Shareholders will sell their tendered Shares to the Offeror free from all encumbrances and together with all rights attaching to them, including, without limitation, the rights to receive in full all dividends and other distributions, if any, recommended, declared, made or paid on or after the date of the despatch of the Offer Document.

Subject to the Option Offer becoming unconditional, following the acceptance of the Option Offer, the Share Options together with all rights attaching thereto will be entirely cancelled and renounced.

Subject to the Convertible Bond Offer becoming unconditional, acceptance of the Convertible Bond Offer by any CB Holders will be deemed to constitute a warranty by such person that all Convertible Bonds sold by such person under the Convertible Bond Offer are free from all encumbrances whatsoever.

For further details on the procedures on acceptance of the Offers, please refer to the section headed "PROCEDURES FOR ACCEPTANCE" in Appendix I to this Offer Document.

SETTLEMENT OF CONSIDERATION

Provided that the Offers have become, or have been declared, unconditional in all respects, payment in cash in respect of the acceptances of the Offers, net of seller's ad valorem stamp duty, must be made as soon as possible but in any event no later than seven (7) Business Days after the later of the date on which (i) the relevant documents of title are received by or on behalf of the Offeror to render each such acceptance complete and valid; or (ii) when the Offers have become or are declared unconditional, whichever is later.

No fractions of a cent will be payable and the amount of cash consideration will be rounded up to the nearest cent.

For further details on the settlement of consideration, please refer to the section headed “SETTLEMENT OF THE OFFERS” in Appendix I to this Offer Document.

HONG KONG STAMP DUTY ON STOCK TRANSACTIONS

Your attention is drawn to the section headed “HONG KONG STAMP DUTY” in Appendix I to this Offer Document.

TAXATION ADVICE

The Offer Shareholders, the Optionholders and the CB Holders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Share Offer, the Option Offer and the Convertible Bond Offer, as applicable. None of the Offeror, the Offeror Concert Parties and their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offers accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Share Offer, the Option Offer and the Convertible Bond Offer, as applicable.

OVERSEAS OFFER SHAREHOLDERS, OPTIONHOLDERS AND CB HOLDERS

Your attention is drawn to the section headed “OVERSEAS OFFER SHAREHOLDERS, OVERSEAS OPTIONHOLDERS AND OVERSEAS CB HOLDERS” in Appendix I to this Offer Document.

FURTHER TERMS OF THE OFFER

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

SHAREHOLDING STRUCTURE

Based on the published information of the Company available to the public as at the Latest Practicable Date, the Company has a total of 383,772,090 Shares in issue, 10,350,000 outstanding Share Options under the Share Option Schemes, and outstanding Convertible Bonds with an aggregate principal amount of HK\$10,000,000 convertible into 2,500,000 Shares.

The table below sets out the shareholding structure of the Company as at the Latest Practicable Date (which is prepared based on published information of the Company available as at the Latest Practicable Date):

	Shareholding as at the Latest Practicable Date		Shareholding as at the Latest Practicable Date (assuming all the Share Options are exercised and the Convertible Bonds are fully converted)	
	<i>Number of issued Shares</i>	<i>Approximate %</i>	<i>Number of issue Shares</i>	<i>Approximate %</i>
Offeror	49,999,500	13.03%	49,999,500	12.61%
Cha Jung Hoon (<i>Note 1</i>)	16,821,000	4.38%	16,821,000	4.24%
Pro Honor (<i>Notes 1, 2</i>)	14,518,187	3.78%	14,518,187	3.66%
Sze Ka Ho (<i>Note 3</i>)	1,067,500	0.28%	1,067,500	0.27%
Tsui Chun Mei (<i>Note 4</i>)	125,000	0.03%	125,000	0.03%
Lam Chi Kin (<i>Note 1</i>)	22,159,000	5.77%	22,159,000	5.59%
Aggregate number of Shares held by the Offeror and the Offeror Concert Parties	104,690,187	27.28%	104,690,187	26.40%
Tam Cho Wai Josephine	21,250,000	5.54%	21,250,000	5.36%
Zheng Hao Jiang (<i>Note 5</i>)	4,065,000	1.06%	4,065,000	1.02%
Zhao Xiaodong (<i>Note 5</i>)	3,400,000	0.89%	3,400,000	0.86%
Zhu Lei (<i>Note 5</i>)	3,400,000	0.89%	3,400,000	0.86%
Choy Sze Chung, Jojo (<i>Note 5</i>)	62,500	0.02%	62,500	0.02%
Liu Hongqiang (<i>Note 5</i>)	18,500	0.00%	18,500	0.00%
Optionholders	—	—	10,350,000	2.61%
CB Holders	—	—	2,500,000	0.63%
Other public Shareholders	<u>246,885,903</u>	<u>64.33%</u>	<u>246,885,903</u>	<u>62.25%</u>
Total number of Shares	<u>383,772,090</u>	<u>100.00%</u>	<u>396,622,090</u>	<u>100.00%</u>

Notes:

1. On 28 September 2023, the Offeror, Mr. Cha Jung Hoon and Pro Honor entered into a concert parties deed, pursuant to which Mr. Cha Jung Hoon and Pro Honor confirmed that they are and will be acting in concert with the Offeror in the control and management of the Group with the Offeror, including in the exercise of their voting rights in any meetings of the Company. The concert parties deed shall be in effect until Mr. Cha Jung Hoon and Pro Honor (or their respective representatives) are no longer a shareholder or a director of the Company (whichever applicable). On 9 November 2023, the Offeror, Mr. Cha Jung Hoon, Pro Honor, and Mr. Lam Chi Kin entered into a concert parties deed, pursuant to which, (i) Mr. Lam Chi Kin confirmed that he joins the concert parties group of the Offeror, Mr. Cha Jung Hoon and Pro Honor formed pursuant to the concert parties deed dated 28 September 2023 entered into among them, and Mr. Lam Chi Kin confirmed that he is and will be acting in concert with the Offeror in the control and management of the Group with the Offeror, including in the exercise of his voting rights in any meetings of the Company; and (ii) the Offeror, Mr. Cha Jung Hoon and Pro Honor agreed Mr. Lam Chi Kin to join their concert parties group. Such concert parties deed shall be in effect until Mr. Cha Jung Hoon, Pro Honor and Mr. Lam Chi Kin (or their respective representatives) are no longer a shareholder or a director of the Company (whichever applicable). Mr. Cha Jung Hoon, Pro Honor and Mr. Lam Chi Kin are therefore Offeror Concert Parties.
2. Pro Honor is a company incorporated in British Virgin Islands with limited liability. It is wholly owned by Mr. Qiu Peiyuan.
3. Mr. Sze Ka Ho is a son of the Offeror and therefore he is acting in concert with the Offeror pursuant to the Takeovers Code and is an Offeror Concert Party.
4. Ms. Tsui Chun Mei is the Offeror's wife and therefore she is acting in concert with the Offeror pursuant to the Takeovers Code and is an Offeror Concert Party.
5. Each of Mr. Zheng Hao Jiang, Mr. Zhao Xiaodong and Mr. Zhu Lei is an executive director of the Company; and each of Mr. Choy Sze Chung, Jojo and Mr. Liu Hongqiang is an independent non-executive director of the Company.

INFORMATION OF THE COMPANY

The Company is a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 970). The Company is principally engaged in dealership of luxury goods in the PRC.

Set out below is a summary of consolidated financial information of the Company for the two financial years ended 31 March 2023 as extracted from the annual report of the Company for the financial years ended 31 March 2023 and 31 March 2022:

	For the financial years ended	
	31 March	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(audited)</i>	<i>(audited)</i>
Revenue	3,997,656	4,324,487
Profit/(loss) before taxation	(59,852)	9,619
Profit/(loss) for the year	(53,623)	31,514

As at 31 March 2023, the audited consolidated net assets of the Company were approximately HK\$2,227,920,000. The audited consolidated net assets attributable to owners to the Company were approximately HK\$2,199,224,000.

INFORMATION OF THE OFFEROR AND REASONS FOR THE OFFERS

The Offeror, Mr. Sze, BBS, JP, is an experienced merchant and is currently a shareholder of Pan Asia Data Holdings Inc. (Stock Code: 1561), and the Company, and was a substantial shareholder of a number of listed companies, such as Global Strategic Group Limited (Stock Code: 8007) and BCI Group Holdings Limited (currently known as New Amante Group Limited) (Stock Code: 8412), each with more than 5% shareholdings as required to be disclosed under the relevant provisions of SFO. In addition, Mr. Sze is currently the Chairman of Lung Shing International (Group) Limited* (隆誠國際(集團)有限公司), a member of the National Committee of the Chinese People's Political Consultative Conference* (中國人民政治協商會議全國委員會委員), as well as the Chairman of Hong Kong Federation of Fujian Associations* (香港福建社團聯會主席). Furthermore, Mr. Sze has extensive experience in financial and equity investing, and a diversified personal investment portfolio. Mr. Sze has been an investor in the Company since 16 December 2020 but since mid-2020, the Company's share price has been on a long-term downtrend and has even recently recorded its first net loss in its latest annual results since 2017. As a substantial shareholder (as defined under the Listing Rules) since March 2021, Mr. Sze is disappointed in the current management performance, and as such, despite not having direct experience in the fields of automobile dealership business and luxury goods trading, being the principal businesses of the Company, Mr. Sze has decided to invest further in the Company's business by way of seeking a controlling stake in order to leverage his business network to potentially reform the Company while further broaden the scope of his investments. Mr. Sze believes that separation of management and ownership is beneficial to the Company and Shareholders as a whole.

Mr. Sze is optimistic about the future prospect of the Company and the making of the Offers affirms Mr. Sze's confidence and commitment to the Company. The Offers are initiated with an aim to increasing the shareholding of Mr. Sze (together with the Offeror Concert Parties) in the Company via Mr. Sze making the Offers. In the event the Offers become unconditional, Mr. Sze will become a controlling shareholder of the Company (together with the Offeror Concert Parties), thereby allowing Mr. Sze to play a leading role in directing the future development of the Group with a view to creating greater value for the Shareholders in the long term.

INTENTION OF THE OFFEROR IN RELATION TO THE GROUP

It is the Offeror's intention to acquire a majority interest in the Company pursuant to the Offers. The intention of the Offeror is that the Group's existing principal activities and businesses will be maintained, and at the same time after completion of the Offers, the Offeror will conduct a review on the existing principal businesses and the financial position of the Group for the purpose of formulating business plans and strategies for the future business development of the Group. In this regard, the Offeror may look into business opportunities and consider whether any asset disposals, asset acquisitions, business rationalisation, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance

the long-term growth potential of the Group. Should such corporate actions materialise, further announcement(s) will be made in accordance with the Listing Rules. The Offeror had not identified any investment or business opportunities for the Company nor had the Offeror entered into any related agreement, arrangements, understandings or negotiation and there is no plan on any injection or disposal of any assets or businesses into/of the Group as at the Latest Practicable Date.

The Offeror may consider convening a general meeting to appoint new member(s) with relevant experiences to the board of the Company if such appointment is considered to be beneficial to the future development of the Group as permitted under the Takeovers Code. Any change to the composition of the board of the Company will be made in compliance with the Takeovers Code and the Listing Rules.

The Offeror has no intention to introduce major changes to the business of the Group, including any redeployment of fixed assets other than those in its ordinary course of business. Save for the potential change(s) to the composition of the board of the Company, the Offeror has no existing plan or contemplation to terminate the employment of any other employees or other personnel of the Group. However, after the close of the Offers, the Offeror will continuously review the operation of the Group and the Offeror reserves the right to make any changes that he deems necessary or appropriate to the Group's businesses and operations to optimise the value of the Group and in the interest of the overall Shareholders.

COMPULSORY ACQUISITION AND MAINTAINING THE LISTING STATUS OF THE COMPANY

The Offeror does not intend to avail himself of any powers of compulsory acquisition in respect of the Company. The Offeror intends to maintain the listing status of the Company after the close of Offers. The Stock Exchange has stated that, if, at the close of the Offers, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public, or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, the Stock Exchange will consider exercising its discretion to suspend dealings in the Shares.

The Offeror has undertaken to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares after the close of the Offers.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information regarding the Offers and the Offeror set out in the appendices to this Offer Document and the accompanying Forms of Acceptance, which form part of this Offer Document.

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

Following the despatch of this Offer Document by the Offeror, the Company will be required under the Takeovers Code to send to all Shareholders, Optionholders and CB Holders the Response Document within 14 days. The Response Document will include the views of the board of directors of the Company and the independent board committee of the Company on the Offers and the letter of advice from the independent financial adviser appointed by the Company in relation to the Offers. Offer Shareholders, Optionholders and CB Holders are advised to read this Offer Document and the Response Document before taking any action in respect of the Offers.

WARNING

Shareholders and potential investors of the Company should note that the implementation of the Offers is subject to the satisfaction or waiver (where applicable) of the conditions of the Offers. Thus, the Offers may or may not become or be declared unconditional. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the respective shares of the Company. Persons who are in doubt as to the action they should take should consult a licensed securities dealer or registered institutions in securities, bank manager, solicitor, professional accountant or other professional advisers.

Yours faithfully,
For and on behalf of
Shenwan Hongyuan Capital (H.K.) Limited
Leung Kwok Kit, Donald
Executive Director

PROCEDURES FOR ACCEPTANCE**A. The Share Offer**

To accept the Share Offer, you should complete and sign the accompanying **WHITE** Form of Share Offer Acceptance in accordance with the instructions printed thereon, which forms part of the terms of the Share Offer.

If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title in respect of your Shares are in your name, and you wish to accept the Share Offer, you must send the duly completed relevant **WHITE** Form of Share Offer Acceptance together with the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title and/or any indemnity or indemnities required in respect thereof, for not less than the number of Shares in respect of which you intend to accept the Share Offer by post or by hand, to the Receiving Agent at 6/F, Manulife Place, 348 Kwun Tong Road, Kowloon, Hong Kong, in an envelop marked “New Sparkle Roll International Group Limited — Share Offer”, in any event not later than 4:00 p.m. on the First Closing Date or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code.

If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title in respect of your Shares is/are in the name of a nominee company or some name other than your own and you wish to accept the Share Offer whether in full or in respect of part of your holding of the Shares, you must either:

- (i) lodge your Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) with the nominee company, or other nominee, and with instructions authorising it to accept the Share Offer on your behalf and requesting it to deliver the **WHITE** Form of Share Offer Acceptance duly completed together with the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Receiving Agent;
- (ii) arrange for the Shares to be registered in your name by the Company through the Share Registrar, and deliver the **WHITE** Form of Share Offer Acceptance duly completed and signed together with the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Receiving Agent;
- (iii) if your Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees Limited to accept the Share Offer on your behalf on or before the deadline set by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/

custodian bank for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or

- (iv) if your Shares have been lodged with your investor participant's account maintained with CCASS, give your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them.

If you have lodged transfer(s) of any of your Shares for registration in your name and have not yet received your Share certificate(s), and you wish to accept the Share Offer in respect of your Shares, you should nevertheless complete and sign the **WHITE** Form of Share Offer Acceptance and deliver it to the Receiving Agent together with the transfer receipt(s) duly signed by yourself. Such action will constitute an irrevocable authority to the Offeror and Shenwan Hongyuan or their respective agent(s) to collect from the Company or the Share Registrar on your behalf the relevant Share certificate(s) when issued and to deliver such Share certificate(s) to the Receiving Agent on your behalf and to authorise and instruct the Receiving Agent to hold such Share certificate(s), subject to the terms and conditions of the Share Offer, as if it was/they were delivered to the Receiving Agent with the **WHITE** Form of Share Offer Acceptance.

If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the Share Offer in respect of your Shares, the **WHITE** Form of Share Offer Acceptance should nevertheless be completed and delivered to the Receiving Agent together with a letter stating that you have lost one or more of your Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) or that it is/they are not readily available. If you find such document(s) or if it/they become(s) available, 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) should be forwarded to the Receiving Agent as soon as possible thereafter. If you have lost your Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title, you should also write to the Receiving Agent for a letter of indemnity which, when completed in accordance with the instruction given, should be returned to the Receiving Agent.

Acceptance of the Share Offer will be treated as effective and valid only if the completed **WHITE** Form of Share Offer Acceptance is received by the Receiving Agent on or before the latest time for acceptance of the Offers and the Receiving Agent has recorded that the acceptance and any relevant documents required by the Takeovers Code have been so received, and is:

- (i) accompanied by the relevant Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and, if that/those Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) is/are not in your name, such other documents (e.g. a duly stamped transfer of the relevant Share(s) in blank or in favour of the acceptor executed by the registered holder) in order to establish your right to become the registered holder of the relevant Shares; or
- (ii) from a registered Shareholder or his personal representatives (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Shares which are not taken into account under another paragraph hereof; or
- (iii) certified by the Share Registrar or Stock Exchange.

If the **WHITE** Form of Share Offer Acceptance is executed by a person other than the registered Shareholder, appropriate documentary evidence of authority (e.g. grant of probate or certified copy of a power of attorney) to the satisfaction of the Receiving Agent must be produced.

Seller's ad valorem stamp duty payable by the Shareholders who accept the Share Offer and calculated at a rate of 0.10% of the market value of the Shares or consideration payable by the Offeror in respect of the relevant acceptances of the Share Offer, whichever is the higher (rounded up to the nearest of HK\$1.00), will be deducted from the amount payable by the Offeror to the relevant Offer Shareholders on acceptance of the Share Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the Offer Shareholders who accept the Share Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptance of the Share Offer and the transfer of the Shares.

If the Share Offer is invalid, withdrawn or lapses, the Offeror must, as soon as possible but in any event no later than seven (7) Business Days after the Share Offer is withdrawn or lapses, return by ordinary post at the risk of the Offer Shareholders the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the Shares tendered for acceptance together with the duly cancelled **WHITE** Form of Share Offer Acceptance to the relevant Offer Shareholder(s).

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

B. The Option Offer

To accept the Option Offer, you should complete and sign the accompanying **YELLOW** Form of Option Offer Acceptance in accordance with the instructions printed thereon, which forms part of the terms of the Option Offer.

Without prejudice to the section headed “ACCEPTANCE OF THE OFFERS” in Part III — Letter from Shenwan Hongyuan of this Offer Document, the completed **YELLOW** Form of Option Offer Acceptance should be forwarded, together with the relevant certificate(s) of the Share Options (if applicable) and/or other document(s) of title (and/or satisfactory indemnity or indemnities and any other document(s) required in respect thereof) you intend to tender, stating the number of Share Options in respect of which you intend to accept the Option Offer, by post or by hand, to the Offeror at 29/F, The Sun’s Group Centre, 200 Gloucester Road, Wan Chai, Hong Kong, as soon as possible and in any event no later than 4:00 p.m. on the First Closing Date or such later time(s) and/or date(s) as the Offeror may determine and announce in compliance with the requirements of the Takeovers Code.

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

The following deeming provisions apply in the case of incorrectly completed, incomplete or illegible **YELLOW** Form of Option Offer Acceptance:

- (i) if no total number of Share Options is specified or if the total number of the Share Options specified in the **YELLOW** Form of Option Offer Acceptance is greater than the Share Options tendered and the Optionholder has signed the **YELLOW** Form of Option Offer Acceptance, the Optionholder will be deemed to have accepted the Option Offer in respect of the number of Share Options tendered by such Optionholder; and
- (ii) if the total number of Share Options specified in the **YELLOW** Form of Option Offer Acceptance is smaller than the Share Options tendered and the Optionholder has signed the **YELLOW** Form of Option Offer Acceptance, such Optionholder will be deemed to have accepted the Option Offer in respect of the total number of Share Options equal to the number of Share Options specified in the **YELLOW** Form of Option Offer Acceptance.

C. The Convertible Bond Offer

If you accept the Convertible Bond Offer and the certificate(s) of the Convertible Bonds and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities and any other document(s) required in respect thereof) is/are in your name, you should complete the **BLUE** Form of Convertible Bond Offer Acceptance in accordance with the instructions printed thereon in respect of the outstanding principal amount of the Convertible Bonds held by you that you wish to tender to the Convertible Bond Offer, which instructions form part of the terms and conditions of the Convertible Bond Offer.

The complete **BLUE** Form of Convertible Bond Offer Acceptance should be forwarded together with the relevant certificate(s) of the Convertible Bonds and/or other document(s) of title (and/or any satisfactory indemnity or indemnities and any other document(s) required in respect thereof) which you intend to accept the Convertible Bond Offer, by post or by hand, to the Offeror at 29/F, The Sun's Group Centre, 200 Gloucester Road, Wan Chai, Hong Kong, as soon as possible but in any event no later than 4:00 p.m. on the First Closing Date or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code.

No acknowledgement of receipt of any **BLUE** Form of Convertible Bond Offer Acceptance and/or certificate(s) of the Convertible Bonds and/or any other document(s) title (and/or any satisfactory indemnity or indemnities and any other document(s) required in respect thereof) will be given.

The following deeming provisions apply in the case of incorrectly completed, incomplete or illegible **BLUE** Form of Convertible Bond Offer Acceptance:

- (i) if no principal amount is specified or a principal amount in excess of the registered holding of the Convertible Bonds of the CB Holder is specified in the **BLUE** Form of Convertible Bond Offer Acceptance and the CB Holder has signed the **BLUE** Form of Convertible Bond Offer Acceptance, such CB Holder will be deemed to have accepted the Convertible Bond Offer for his/her/its entire registered holding of the Convertible Bonds; and
- (ii) if the principal amount of the Convertible Bonds specified in the **BLUE** Form of Convertible Bond Offer Acceptance is smaller than the principal amount of the Convertible Bonds tendered and the CB Holder has signed the **BLUE** Form of Convertible Bond Offer Acceptance, the CB Holder is deemed to have accepted the Convertible Bond Offer in respect of the principal amount of the Convertible Bonds as shall be equal to the principal amount of the Convertible Bonds specified in such **BLUE** Form of Convertible Bond Offer Acceptance.

SETTLEMENT OF THE OFFERS**A. The Share Offer**

Subject to the Offers becoming or being declared unconditional and provided that a valid **WHITE** Form of Share Offer Acceptance and the relevant certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities and any other document(s) required in respect thereof) are complete and in good order in all respects and have been received by the Receiving Agent before the close of the Share Offer, a cheque for the amount due to each of the Offer Shareholders who accepts the Share Offer less seller's ad valorem stamp duty in respect of the Shares tendered by it/him/her under the Share Offer will be despatched to such Offer Shareholder by ordinary post at it/his/her own risk as soon as possible but in any event no later than seven (7) Business Days after the later of (i) the date on which the Offers become or are declared unconditional in all respects and (ii) the date of receipt by the Receiving Agent of all relevant documents which render such acceptance complete, valid and in compliance with Note 1 to Rule 30.2 of the Takeovers Code.

No fractions of a cent will be payable and the amount of cash consideration payable to an Offer Shareholder who accepts the Share Offer will be rounded up to the nearest cent.

Settlement of the consideration to which any accepting Offer Shareholder is entitled under the Share Offer will be implemented in full in accordance with the terms of the Share Offer (save with respect to the payment of seller's ad valorem stamp duty), without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such accepting Offer Shareholder.

B. The Option Offer

Subject to the Offers becoming or being declared unconditional and provided that a valid **YELLOW** Form of Option Offer Acceptance and the relevant certificate(s) in respect of the Share Options (and/or any satisfactory indemnity or indemnities required in respect thereof) are complete and in good order in all respects and have been received by the Offeror before the close of the Option Offer, a cheque for the amount due to each of the Optionholders who accepts the Option Offer in respect of the Share Option tendered by it/him/her under the Option Offer will be despatched to such Optionholder by ordinary post at its/his/her own risk as soon as possible but in any event no later than seven (7) Business Days after the later (i) the date on which the Offers become or are declared unconditional in all respects and (ii) the date of receipt by the Offeror of all relevant documents which render such acceptance complete, valid and in compliance with Note 1 to Rule 30.2 of the Takeovers Code.

No fractions of a cent will be payable and the amount of cash consideration payable to an Optionholder who accepts the Option Offer will be rounded up to the nearest cent.

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

C. The Convertible Bond Offer

Subject to the Offers becoming or being declared unconditional and provided that a valid **BLUE** Form of Convertible Bond Offer Acceptance and the relevant certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are complete and in good order in all respects and have been received by the Offeror before the close of the Convertible Bond Offer, a cheque for the amount due to each of the CB Holders who accepts the Convertible Bond Offer in respect of the Convertible Bonds tendered by it/him/her under the Convertible Bond Offer will be despatched to such CB Holder by ordinary post at its/his/her own risk as soon as possible but in any event no later than seven (7) Business Days after the later of (i) the date of on which the Offers become or are declared unconditional in all respects and (ii) the date of receipt by the Offeror of all relevant documents which render such acceptance complete, valid and in compliance with Note 1 to Rule 30.2 of the Takeovers Code.

No fractions of a cent will be payable and the amount of cash consideration payable to a CB Holder who accepts the Convertible Bond Offer will be rounded up to the nearest cent.

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

ACCEPTANCE PERIOD AND REVISIONS

The Offers are made on Friday, 24 November 2023, being the date of despatch of this Offer Document, and are open for acceptance on and from this date.

In order to be valid for the Offers, the **WHITE** Form of Share Offer Acceptance, the **BLUE** Form of Convertible Bond Offer Acceptance and the **YELLOW** Form of Option Offer Acceptance must be received by the Receiving Agent (in respect of the Share Offer) or the Offeror (in respect of the Option Offer and the Convertible Bond Offer) in accordance with the instructions printed thereon by 4:00 p.m. on the First Closing Date, unless the Offers are extended or revised with the consent of the Executive in accordance with the Takeovers Code. The Offers are conditional upon, amongst others, the Offeror having received valid acceptances (and, where permitted, such acceptances not having been withdrawn) in respect of the Share Offer which will result in the Offeror and the Offeror Concert Parties holding more than 50% of the voting rights of the Company.

If the Offers are extended or revised, an announcement of such extension or revision will state the next Closing Date or, if the Offers have become unconditional (whether as to acceptances or in all respects), the announcement may contain a statement that the Offers will remain open until further notice. In the latter case, at least 14 days' notice in writing will be given before the Offers are closed to the Offer Shareholders, Optionholders and CB Holders, who have not accepted the Offers, and an announcement will be released. The revised Offers will be kept open for at least 14 days thereafter. If, in the course of the Offers, the Offeror revises the terms of the Offers, all Offer Shareholders, Optionholders and CB Holders, whether or not they have already accepted the Offers, will be entitled to the revised terms.

Any acceptance of the relevant revised Offers shall be irrevocable unless and until the Offer Shareholders, Optionholders and CB Holders who accept the Offers become entitled to withdraw their acceptance under the section headed "RIGHT OF WITHDRAWAL" of this Appendix below and duly do so.

If the Closing Date is extended, any reference in this Offer Document and in the Forms of Acceptance to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the closing date of the Offers as so extended.

EXERCISE OF SHARE OPTIONS

The Optionholder who wishes to accept the Share Offer may (i) exercise his/her/its Share Options (to the extent exercisable) by completing, signing and delivering a notice for exercising the Share Options together with a cheque for payment of the subscription monies and the related certificates (if applicable) for the Share Options to the Company before the close of the Offers; and (ii) at the same time, or in any event no later than 4:00 p.m. on the First Closing Date (or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code), complete and sign the **WHITE** Form of Share Offer Acceptance and deliver it to the Receiving Agent together with a copy of the set of documents delivered to the Company for exercising the Share Options. Notwithstanding the above, the exercise of the Share Options is always subject to the terms and conditions of the Share Option Schemes and the terms attaching to the grant of the relevant Share Options.

Delivery of the completed and signed **WHITE** Form of Share Offer Acceptance to the Receiving Agent will not serve to complete the exercise of the Share Option but will only be deemed to be an irrevocable authority to the Offeror and Shenwan Hongyuan and/or any of their respective agent(s) or such other person(s) as they may direct to collect from the Company or the Share Registrar on his/her/its behalf the relevant Share certificate(s) when issued on exercise of the Share Options as if it/they was/were delivered to the Receiving Agent with the **WHITE** Form of Share Offer Acceptance. If the Optionholder fails to exercise his/her/its Share Options as aforesaid and in accordance with the terms and conditions of the Share Option Schemes, there is no guarantee that the Company may issue the relevant Share certificate in respect of the Shares allotted pursuant to his/her/its exercise of the Share Option(s) to such Optionholder in time for it to accept the Share Offer as an Offer Shareholder of such Shares under the terms of the Share Offer.

LAPSE OF SHARE OPTIONS

Subject to the Offers becoming or becoming declared unconditional, following acceptance of the Option Offer, the relevant Share Options together with all rights attaching thereto will be entirely cancelled and renounced on the First Closing Date. Optionholders should note that according to the rules of the Share Option Schemes, the Optionholders are entitled to exercise their Share Options (to the extent not exercised) in full or in part by notice in writing to the Company before the close of the Option Offer. Under the rules of both Share Option Schemes, the Share Options (to the extent not exercised) will cease and determine and lapse automatically after the close of the Option Offer on the First Closing Date. Optionholders are reminded that acceptance of the Option Offer made in relation to any Share Option that has lapsed will not render acceptance to be valid. Optionholders are therefore recommended to consult their own professional advisers as to the exercise of the Share Options pursuant to the rules of the Share Option Schemes and the implications as to accepting or rejecting the Option Offer.

Nothing in this Offer Document or the Option Offer will serve to extend the life of any Share Option which lapses under the Share Option Schemes. No exercise of the Share Options or acceptance of the Option Offer may be made in relation to any Share Option that has lapsed.

ANNOUNCEMENTS

By 6:00 p.m. on the Closing Date (or such later time and/or date as the Executive may in exceptional circumstances permit), the Offeror must inform the Executive and the Stock Exchange of his decision in relation to the revision, extension or expiry of the Offers. The Offeror must publish an announcement in accordance with the Takeovers Code on the Stock Exchange's website by no later than 7:00 p.m. on the Closing Date stating whether the Offers have been revised or extended or have expired. The announcement will state the total number of Shares, Share Options and Convertible Bonds and rights over Shares, Share Options and Convertible Bonds:

- (i) for which acceptances of the Offers have been received;
- (ii) held, controlled or directed by the Offeror and the Offeror Concert Parties before the Offer Period; and
- (iii) acquired or agreed to be acquired by the Offeror during the Offer Period.

The announcement must include details of any relevant securities in the Company which the Offeror or the Offeror Concert Parties have borrowed or lent, save for any borrowed Shares which have been either on-lent or sold.

The announcement must also specify the percentages of the relevant classes of Share capital of the Company and the percentages of voting rights of the Company represented by these numbers.

In computing the total number or principal amount of Shares represented by acceptances, only valid acceptances that are complete, in good order and fulfil the acceptance conditions set out in this Appendix, and which have been received by the Receiving Agent (in respect of the Share Offer) or the Offeror (in respect of the Convertible Bond Offer and the Option Offer) no later than 4:00 p.m. on the Closing Date, unless the Offers become or are declared unconditional, or are extended or revised with the consent of the Executive, shall be included.

RIGHT OF WITHDRAWAL

Acceptance of the Offers tendered by the Offer Shareholders, the Optionholders and the CB Holders shall be irrevocable and cannot be withdrawn, except in the circumstances set out below or in compliance with Rule 17 of the Takeovers Code, which provides that an acceptor of the Offers shall be entitled to withdraw his/her/its acceptance after 21 days from the First Closing Date if the Offers have not by then become unconditional as to acceptances. An acceptor of the Offers may withdraw his/her/its acceptance by lodging a notice in writing signed by the acceptor (or his/her/its agent duly appointed in writing and evidence of those appointment is produced together with the notice) to the Receiving Agent (in respect of the Share Offer) or the Offeror (in respect of the Convertible Bond Offer and the Option Offer).

If the Offeror is unable to comply with the requirements set out in the section headed “ANNOUNCEMENTS” above, the Executive may require that the Offer Shareholders, the Optionholders and the CB Holders who have tendered acceptances to the Offers be granted a right of withdrawal on terms that are acceptable to the Executive until the requirements set out in that paragraph are met.

HONG KONG STAMP DUTY

The seller’s Hong Kong ad valorem stamp duty payable by the Shareholders who accept the Share Offer and calculated at a rate of 0.10% of the higher of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Share Offer, will be deducted from the amount payable by the Offeror to such person on acceptance of the Share Offer.

The seller’s Hong Kong ad valorem stamp duty (if any) payable by the CB Holders who accept the Convertible Bond Offer and calculated at a rate of 0.10% of the higher of (i) the market value of the Convertible Bonds; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Convertible Bond Offer, will be deducted from the amount payable by the Offeror to such person on acceptance of the Convertible Bond Offer.

The Offeror will arrange for payment of the stamp duty on behalf of accepting Shareholders and accepting CB Holders in connection with the acceptance of the Share Offer and the transfer of the Offer Shares, and acceptance of the Convertible Bond Offer and transfer of the Convertible Bonds, respectively.

No stamp duty is payable in connection with the acceptances of the Option Offer.

OVERSEAS OFFER SHAREHOLDERS, OVERSEAS OPTIONHOLDERS AND OVERSEAS CB HOLDERS

The availability of the Offers to any overseas Offer Shareholders, Optionholders and CB Holders may be affected by the applicable laws and regulations of their relevant jurisdictions of residence. The overseas Offer Shareholders, Optionholders, CB Holders should observe any applicable legal or regulatory requirements and, where necessary, consult their own professional advisers. It is the responsibilities of the overseas Offer Shareholders, Optionholders and CB Holders who wish to accept the Offers to satisfy themselves as to the full observance of the laws and regulations of the relevant overseas jurisdictions in connection with the acceptance of the Offers (including but not limited to obtaining any governmental or other consent which may be required or complying with other necessary formalities and the payment of any transfer or other taxes due by such overseas Offer Shareholders, Optionholders and CB Holders in respect of such overseas jurisdictions).

Acceptance of the Offers by any overseas Offer Shareholders, Optionholders and CB Holders will be deemed to constitute a representation and warranty from such person to the Offeror that all applicable local laws and requirements have been complied with and that the Offers can be accepted by such overseas Offer Shareholders, Optionholders and CB Holders lawfully under the laws of the relevant jurisdictions. The overseas Shareholders, Optionholders and CB Holders should consult their professional advisers if in doubt.

NOMINEE REGISTRATION

To ensure equality of treatment of all Offer Shareholders, Optionholders and CB Holders, those Offer Shareholders, Optionholders and CB Holders who hold Offer Shares, Share Options and/or Convertible Bonds (as the case may be) as nominees on behalf of more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. In order for beneficial owners of Offer Shares, Share Options and Convertible Bonds, whose investments are registered in the names of nominees, to accept the Offers, it is essential that they provide instructions of their intentions with regard to the Offers to their nominees.

GENERAL

- (i) All communications, notices, Forms of Acceptance, Share certificate(s), transfer receipt(s), certificate(s) of the Share Options, certificate(s) of the Convertible Bonds, other document(s) of title (and/or any satisfactory indemnity or indemnities and any other document(s) required in respect thereof) and remittances to settle the consideration payable under the Offers to be delivered by or sent to or from the Offer Shareholders, the Optionholders and the CB Holders will be delivered by or sent to or from them, or their designated agents, by ordinary post at their own risk, and none of the Offeror and

Shenwan Hongyuan or any of their respective directors or agents or other parties involved in the Offers accepts any liability for any loss in postage or any other liabilities that may arise as a result thereof.

- (ii) The provisions set out in the Forms of Acceptance form part of the terms of the Offers.
- (iii) The accidental omission to despatch this Offer Document and/or the Forms of Acceptance or any of them to any person to whom the Offers is made will not invalidate the Offers in any way.
- (iv) The Offers and all acceptances under the Offers will be governed by and construed in accordance with the laws of Hong Kong.
- (v) Due execution of the Forms of Acceptance will constitute an authority to the Offeror or any director of Shenwan Hongyuan or such person or persons as any of them may direct to complete and execute any document on behalf of the person accepting the Offers and to do any other act that may be necessary or expedient for the purpose of vesting in the Offeror, Shenwan Hongyuan or such person or persons as they may direct the Offer Shares, Share Options or the Convertible Bonds, in respect of which such person has accepted the Offers.
- (vi) By accepting the Offers, the Offer Shareholders, Optionholders and CB Holders will sell their Offer Shares or Convertible Bonds or tender their Share Options (as the case may be) to the Offeror free from all encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights accruing or attaching to them, including, without limitation, the right to receive all dividends, interests and distributions (as applicable) which may be recommended, declared, made or paid by reference to a record date on or after the Final Closing Date.
- (vii) Acceptance of the Offers by any person or persons will be deemed to constitute a warranty by such person or persons to the Offeror and Shenwan Hongyuan that the Offer Shares, Share Options or the Convertible Bonds held by such person or persons to be acquired under the Offers are sold by any such person or persons free from all third party rights, liens, charges, equities, options, claims, adverse interests and encumbrances and together with all rights attaching thereto as at the date on which the Offers are made including the right to receive in full all dividends or other distribution that may be declared, made or paid by the Company on or after the Final Closing Date.
- (viii) References to the Offers in this Offer Document and in the Forms of Acceptance shall include any extension and/or revision thereof.

- (ix) Acceptance of the Offers by any nominee will be deemed to constitute a warranty by such nominee to the Offeror that the number of Offer Shares, Share Options or the Convertible Bonds in respect of which it is indicated in the relevant Forms of Acceptance is the aggregate number of Offer Shares, Share Options or the Convertible Bonds held by such nominee for such beneficial owners who are accepting the Offers.
- (x) The English text of this Offer document and the accompanying Forms of Acceptance shall prevail over their respective Chinese texts in case of inconsistency.

RESPONSIBILITY STATEMENT

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

The Offeror accepts full responsibility for the accuracy of the information contained in this Offer Document and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this Offer Document have been arrived at after due and careful consideration and there are no other facts not contained in this Offer Document the omission of which would make any statement in this Offer Document misleading.

The information relating to the Group and the Shareholders (other than the Offeror and the Offeror Concert Parties) in this Offer Document has been extracted from or based on the published information of the Company, including its annual report for the financial year ended 31 March 2023, the Offeree Announcement, the Rule 3.8 Offeree Announcements and monthly return of the Company published on the website of the Stock Exchange on 1 November 2023. The only responsibility accepted by the Offeror in respect of such information is for the correctness and fairness of its reproduction or presentation.

DISCLOSURE OF INTERESTS OF THE OFFEROR AND THE OFFEROR CONCERT PARTIES

As at the Latest Practicable Date, the Offeror and the Offeror Concert Parties together owned 104,690,187 Shares, representing approximately 27.28% of the issued Share capital of the Company. Save for such 104,690,187 Shares, none of the Offeror and the Offeror Concert Parties owned or had control or direction over any voting rights or rights over the Shares or convertible securities, warrants, options of the Company or any derivatives in respect of such securities.

Save for (1) the Offeror acquired 82,000 Shares (representing approximately 0.020% of the Company issued Share capital as at the Latest Practicable Date) from open market at a consideration of HK\$0.87 per Share on 21 September 2023, and (2) Mr. Sze Ka Ho disposed of 80,000 Shares (representing approximately 0.020% of the Company issued Share capital as at the Latest Practicable Date) on open market at a consideration of HK\$0.87 per Share on 21 September 2023, none of the Offeror and the Offeror Concert Parties had dealt for value in any Shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities during the Relevant Period.

ARRANGEMENTS IN CONNECTION WITH THE OFFERS

As at the Latest Practicable Date:

- (i) there was no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the Shares existed between the Offeror or the Offeror Concert Parties or associates (as defined under the Takeovers Code) of the Offeror and any other person;

- (ii) the securities acquired in pursuance of the Offers will not be transferred, charged or pledged to any other persons and there was no agreement, arrangement or understanding or any related charge or pledge, which had been entered into which may result in the transfer of voting rights attaching to any securities to be acquired pursuant to the Offers;
- (iii) there was no agreement or arrangement to which the Offeror or the Offeror Concert Parties is a party which relates to circumstances in which the Offeror may or may not invoke or seek to invoke a pre-condition or a condition to the Offers;
- (iv) none of the Offeror nor the Offeror Concert Parties had borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (v) none of the Offeror nor the Offeror Concert Parties had received any irrevocable commitment to accept or reject the Offers;
- (vi) there was no agreement, arrangement or understanding (including any compensation arrangement) existed between the Offeror or the Offeror Concert Parties and any of the directors, recent directors of the Company, Shareholders or recent Shareholders having any connection with or dependence upon the Offers;
- (vii) no benefit was or would be given to any directors of the Company as compensation for loss of office or otherwise in connection with the Offers;
- (viii) there was no outstanding derivative in respect of the securities in the Company entered into by the Offeror or the Offeror Concert Parties;
- (ix) the Offeror did not intend that the payment of interest on, repayment of or securities of any liability (contingent or otherwise) will depend to any significant extent on the business of the Group;
- (x) apart from the consideration to be paid under the Offers, each of the Offer Shareholders, Optionholders or CB Holders had not and will not receive any other consideration, compensation or benefits in whatever form paid or to be paid by the Offeror or the Offeror Concert Parties in connection with the Offers;
- (xi) there was no understanding, arrangement, agreement or special deal between the Offeror and the Offeror Concert Parties on the one hand, and the Offer Shareholders, Optionholders and CB Holders or and any party acting in concert with any of them on the other hand; and
- (xii) there was no understanding, or arrangement or agreement or special deal between any Shareholders on the one hand, and the Offeror and the Offeror Concert Parties on the other hand.

MARKET PRICE

The table below shows, based on publicly available information of the Company, the closing price of the Shares quoted on the Stock Exchange on (i) the last day on which trading took place in each of the calendar months during the Relevant Period; and (ii) the Last Trading Day; and (iii) the Latest Practicable Date.

	Closing price for each Share
	<i>HK\$</i>
31 March 2023	1.21
28 April 2023	0.99
31 May 2023	0.93
30 June 2023	0.97
31 July 2023	0.90
31 August 2023	0.89
29 September 2023 (Last Trading Day)	1.00
31 October 2023	1.26
21 November 2023 (Latest Practicable Date)	1.23

Highest and lowest closing price of the Shares

The highest and lowest closing prices of each Share as quoted on the Stock Exchange during the Relevant Period were HK\$1.60 on 10 November 2023 and 13 November 2023 and HK\$0.86 on 2 August 2023 and 4 August 2023, respectively.

CONSENTS AND QUALIFICATIONS

The following is the qualification of the expert who has given opinion or advice contained in this Offer Document:

Name	Qualification
Shenwan Hongyuan Capital (H.K.) Limited	a licensed corporation to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities

Shenwan Hongyuan has given, and has not withdrawn, its written consents to the issue of this Offer Document with the inclusion herein of its letter, and/or references to its name in the form and context in which it is included.

MISCELLANEOUS

- (i) The correspondence address of the Offeror and the Offeror Concert Parties is 29/F, The Sun's Group Centre, 200 Gloucester Road, Wan Chai, Hong Kong.
- (ii) Shenwan Hongyuan is the financial adviser to the Offeror and is making the Offers on behalf of the Offeror. Its registered address is at Level 6, Three Pacific Place, 1 Queen's Road East, Hong Kong.
- (iii) Principal members of the Offeror concert group include the (i) Offeror, (ii) Mr. Cha Jung Hoon, Pro Honor and Mr. Lam Chi Kin pursuant to a concert parties deed entered into between the Offeror, Mr. Cha Jung Hoon and Pro Honor on 28 September 2023 and a concert parties deed entered into between the Offeror, Mr. Cha Jung Hoon, Pro Honor and Mr. Lam Chi Kin on 9 November 2023, (iii) Mr. Sze Ka Ho, son of the Offeror, and (iv) Ms. Tsui Chun Mei, the wife of the Offeror.
- (iv) Pro Honor is a company incorporated in British Virgin Islands with limited liability and is wholly owned by Mr. Qiu Peiyuan. The sole director of Pro Honor is Mr. Qiu Peiyuan.

In case of inconsistency, the English language text of this Offer Document and the accompanying Forms of Acceptance shall prevail over the Chinese language text.

DOCUMENTS ON DISPLAY

Copies of the following documents will be available for display (i) during normal business hours from 9:00 a.m. to 5:30 p.m. (other than Saturday, Sundays and public holidays) at the office of Shenwan Hongyuan at Level 6, Three Pacific Place, 1 Queen's Road East, Hong Kong; and (ii) on the website of the SFC (www.sfc.hk) from the date of this Offer Document onwards for so long as the Offers remain open for acceptance:

- (i) the letter from Shenwan Hongyuan, the text of which is set out on pages 10 to 24 of this Offer Document;
- (ii) the letter of consent from Shenwan Hongyuan referred to in the section headed "CONSENTS AND QUALIFICATIONS" in this Appendix; and
- (ii) this Offer Document.