
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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



LEADING VIRTUE HOLDINGS LIMITED
(Incorporated in the British Virgin Islands with limited liability)

Shunten International (Holdings) Limited
順騰國際(控股)有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 932)

COMPOSITE DOCUMENT RELATING TO MANDATORY CONDITIONAL CASH OFFER BY PRIME SECURITIES LIMITED ON BEHALF OF LEADING VIRTUE HOLDINGS LIMITED TO ACQUIRE ALL THE ISSUED SHARES OF SHUNTEN INTERNATIONAL (HOLDINGS) LIMITED (OTHER THAN THOSE SHARES ALREADY OWNED AND/OR AGREED TO BE ACQUIRED BY THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT)



BAOQIAO PARTNERS

BAOQIAO PARTNERS CAPITAL LIMITED

Financial adviser to the Offeror



發利證券有限公司
PRIME SECURITIES LIMITED

Offer Agent to the Offeror

ALTUS CAPITAL LIMITED

Independent Financial Adviser to the Independent Board Committee

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

A letter from Prime Securities containing, among other things, the details of the terms of the Offer is set out on pages 5 to 12 of this Composite Document. A letter from the Board is set out on pages 13 to 20 of this Composite Document. A letter from the Independent Board Committee containing its recommendation in respect of the Offer to the Independent Shareholders is set out on pages 21 to 22 of this Composite Document. A letter from the Independent Financial Adviser containing its advice and recommendation to the Independent Board Committee in respect of the Offer is set out on pages 23 to 46 of this Composite Document.

The procedures for acceptance and settlement as well as other related information of the Offer are set out in Appendix I to this Composite Document and the accompanying Form of Acceptance. The Form of Acceptance should be received by the Registrar, namely, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible and in any event no later than 4:00 p.m. on Tuesday, 4 November 2025 (or such later time and/or date as the Offeror may determine and the Offeror and the Company may jointly announce, with the consent of the Executive, in accordance with the Takeovers Code).

Any persons including, without limitation, custodians, nominees and trustees, who would, or otherwise intend to, forward this Composite Document and/or the accompanying Form of Acceptance to any jurisdiction outside Hong Kong should read the details in this regard which are contained in the section headed "Overseas Shareholders" in Letter from Prime Securities and the section headed "Overseas Shareholders" in Appendix I to this Composite Document before taking any action. It is the responsibility of any Overseas Shareholders wishing to take any action in relation to the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection therewith, including obtaining all governmental, exchange control or other consents which may be required and compliance with all necessary formalities or legal requirements and the payment of any issue, transfer or other taxes payable by such Overseas Shareholders in respect of the acceptance of the Offer (as applicable) in such jurisdiction. The Overseas Shareholders are advised to seek professional advice on deciding whether to accept the Offer (as applicable).

This Composite Document is issued jointly by the Offeror and the Company. This Composite Document will remain on the website of the Stock Exchange at www.hkexnews.hk and website of the Company at www.shunten.com.hk as long as the Offer remains open.

In the event of any inconsistency, the English text of this Composite Document and the accompanying Form of Acceptance shall prevail over their Chinese text.

14 October 2025

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EXPECTED TIMETABLE

The timetable set out below is indicative only and may be subject to change. Any changes to the timetable will be jointly announced by the Offeror and the Company as and when appropriate. Unless otherwise specified, all time and date references contained in this Composite Document and the Form of Acceptance refer to Hong Kong time and dates.

Despatch date of this Composite Document and the
Form of Acceptance and commencement date of
the Offer (*Note 1*) Tuesday, 14 October 2025

Offer open for acceptance (*Note 1*)

Latest time and date for acceptance of the Offer on
the First Closing Date (*Notes 2, 3 and 6*) 4:00 p.m. on
Tuesday, 4 November 2025

First Closing Date (*Note 2*) Tuesday, 4 November 2025

Announcement of the results of the Offer and the
level of acceptance as at the First Closing Date
(or its extension or revision, if any) to be posted
on the website of the Stock Exchange (*Note 2*) no later than 7:00 p.m. on
Tuesday, 4 November 2025

Latest date for posting of remittances for
the amount due in respect of valid acceptances
received under the Offer on or before 4:00 p.m.
on the First Closing Date (assuming the Offer
becomes or is declared unconditional in all
respects on the First Closing Date)
(*Notes 4 and 6*) Thursday, 13 November 2025

Latest time and date for acceptance of the Offer
remaining open (assuming the Offer becomes, or is
declared, unconditional on the First Closing Date)
(*Notes 3, 5 and 6*) 4:00 p.m. on
Tuesday, 18 November 2025

Final Closing Date of the Offer (assuming
the Offer becomes or is declared unconditional
on the First Closing Date) 4:00 p.m. on
Tuesday, 18 November 2025

Announcement of the results of the Offer as at
the Final Closing Date to be posted on
the website of the Stock Exchange (*Note 5*) no later than 7:00 p.m. on
Tuesday, 18 November 2025

EXPECTED TIMETABLE

Latest date for posting of remittances for
the amount due in respect of valid acceptances
received under the Offer on or before 4:00 p.m.
on the Final Closing Date (assuming the Offer
becomes or is declared unconditional in all
respects on the First Closing Date)
(Notes 4 and 6) Thursday, 27 November 2025

Latest time and date by which the Offer can
become or be declared unconditional as to
acceptances (Note 7) Monday, 15 December 2025

Notes:

1. The Offer, which is conditional, is made on the date of posting of this Composite Document, and is capable of acceptance on and from the date until 4:00 p.m. on the Closing Date, unless the Offeror revises or extends the Offer in accordance with the Takeovers Code.
2. In accordance with the Takeovers Code, the Offer must initially be opened for acceptance for at least twenty-one (21) days after the date on which this Composite Document was posted. The latest time and date for acceptance of the Offer will be 4:00 p.m. on Tuesday, 4 November 2025 unless the Offeror extends the Offer in accordance with the Takeovers Code. The Offeror has the rights under the Takeovers Code to extend the Offer until such date as it may determine in accordance with the Takeovers Code (or as permitted by the Executive in accordance with the Takeovers Code). In accordance with the Takeovers Code, an announcement must be issued on the website of the Stock Exchange no later than 7:00 p.m. on Tuesday, 4 November 2025 stating either the next Closing Date or that the Offer will remain open until further notice. In the latter case, at least fourteen (14) days' notice in writing must be given before the Offer is closed to Independent Shareholders who have not accepted the Offer.
3. Beneficial owners of the Shares who hold their Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant should note the timing requirements (as set out in Appendix I to this Composite Document) for causing instructions to be made to CCASS in accordance with the General Rules of HKSCC and HKSCC Operational Procedures.
4. Remittances in respect of the cash consideration (after deducting the seller's Hong Kong ad valorem stamp duty in respect of acceptances of the Offer) payable for the Offer Shares tendered under the Offer will be despatched to the accepting Independent Shareholder(s) by ordinary post at their own risk as soon as possible, but in any event no later than seven (7) Business Days after the date of receipt by the Registrar of all the relevant documents to render the acceptance under the Offer complete and valid, in accordance with the Takeovers Code.
5. In any event, in accordance with the Takeovers Code, where the Offer becomes or is declared unconditional, the Offer should remain open for acceptance for not less than fourteen (14) days thereafter. When the Offer becomes or is declared unconditional in all respects, at least fourteen (14) days' notice in writing must be given before the Offer is closed to those Independent Shareholders who have not accepted the Offer. The Offeror has the rights, subject to the Takeovers Code, to extend the Offer until such date as it may determine or as permitted by the Executive. The Offeror and the Company will jointly issue an announcement in relation to any extension of the Offer, which will state the next Closing Date or, if the Offer has become or is at that time unconditional, that the Offer will remain open until further notice. In the latter case, at least fourteen (14) days' notice will be given before the Offer is closed, to those Independent Shareholders who have not accepted the Offer and an announcement will be published.

EXPECTED TIMETABLE

6. If any severe weather condition is in force in Hong Kong:
- (a) at any local time before 12:00 noon but no longer in force at 12:00 noon and/or thereafter on the latest date for acceptance of the Offer and the latest date for despatch of remittances for the amounts due under the Offer in respect of valid acceptances, the latest time for acceptance of the Offer will remain at 4:00 p.m. on the same Business Day and the latest date for despatch of remittances will remain on the same Business Day; or
 - (b) at any local time at or after 12:00 noon on the latest date for acceptance of the Offer and the latest date for despatch of remittances for the amounts due under the Offer in respect of valid acceptances, the latest time for acceptance of the Offer will be rescheduled to 4:00 p.m. on the next Business Day and the latest date for despatch of remittances will be rescheduled to the next Business Day which does not have any of those warnings in force at 12:00 noon and/or thereafter (or another Business Day thereafter that does not have any severe weather condition at 12:00 noon or thereafter).

For the purpose of this Composite Document, “severe weather” refers to the scenario where Typhoon Signal No. 8 or above, a Black Rainstorm Warning (as issued by the Hong Kong Observatory), or the “Extreme Conditions” warning (as announced by the Hong Kong Government) is in force in Hong Kong.

7. In accordance with the Takeovers Code, except with the consent of the Executive, the Offer may not become or be declared unconditional as to acceptances after 7:00 p.m. on the sixtieth (60th) day after the day this Composite Document is posted. When a period laid down in the Takeovers Code ends on a day which is not a Business Day, the period is extended until the next Business Day. Accordingly, unless the Offer has previously become unconditional as to acceptances, the Offer will lapse on Monday, 15 December 2025 unless extended with the consent of the Executive and in accordance with the Takeovers Code. Therefore, the last day by which the Offer can become or declared unconditional as to acceptance is Monday, 15 December 2025.

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

DEFINITIONS

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

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“BaoQiao Partners”	BaoQiao Partners Capital Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the financial adviser of the Offeror in respect of the Offer
“Board”	the board of Directors
“Business Day”	a day on which the Stock Exchange is open for the transaction of business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Closing Date”	the First Closing Date, or if the Offer is extended, any subsequent closing date as may be determined by the Offeror and jointly announced by the Offeror and the Company, with the consent of the Executive, in accordance with the Takeovers Code
“Company”	Shunten International (Holdings) Limited (Stock Code: 932), a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the sale and purchase of all the Sale Shares in accordance with the terms and conditions of the Sale and Purchase Agreement
“Composite Document”	this composite offer and response document jointly issued by the Offeror and the Company together with the Form of Acceptance to the Shareholders in connection with the Offer in compliance with the Takeovers Code
“Condition”	condition of the Offer as set out in the section headed “Condition to the Offer” in the Letter from Prime Securities in this Composite Document
“connected person”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company

DEFINITIONS

“Encumbrances”	any interest or equity of any person including any encumbrance, mortgage, charge, security interest, assignment, pledge, lien, option, right of pre-emption, right of first refusal, right of set-off, retention of title or hypothecation howsoever arising, and any obligation, whether conditional or otherwise, to create any of the foregoing, whether arising by agreement, operation of applicable laws or otherwise
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Final Closing Date”	18 November 2025, being the Final Closing Date of the Offer assuming the Offer becomes, or is declared unconditional on the First Closing Date
“First Closing Date”	4 November 2025, being the first Closing Date of the Offer
“Form of Acceptance”	the form of acceptance and transfer of the Offer Shares in respect of the Offer
“Group”	the Company and its subsidiaries
“Hammer Capital Consulting”	Hammer Capital Consulting Limited, a company incorporated in the British Virgin Islands with limited liability, and is wholly-owned by Ms. Leung Lisa
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors, namely, Mr. Leung Winson Kwan Yau, Ms. Dong Jian Mei and Mr. Lam Chik Shun Marcus, established for the purpose of advising the Independent Shareholders in respect of the Offer and in particular as to whether the Offer is fair and reasonable and as to acceptance of the Offer
“Independent Financial Adviser” or “Altus Capital”	Altus Capital Limited, a corporation licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, being the independent financial adviser appointed by the Company with the approval of the Independent Board Committee to advise the Independent Board Committee in respect of the Offer and as to the acceptance of the Offer

DEFINITIONS

“Independent Shareholders”	the Shareholders other than the Offeror and parties acting in concert with it
“Joint Announcement”	the joint announcement dated 12 September 2025 jointly issued by the Company and the Offeror, in relation to, among other things, the Sale and Purchase Agreement and the Offer
“Latest Practicable Date”	10 October 2025, being the latest practicable date prior to the printing of this Composite Document for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended and/or supplemented from time to time
“Mr. Cheung”	Mr. Cheung Siu Fai, a substantial Shareholder, the chairman of the Board and the executive Director, and he is the sole shareholder and director of the Offeror
“Ms. Leung Lisa”	Ms. Leung Lisa, the sole shareholder and director of the Sellers
“Offer”	the mandatory conditional cash offer made by Prime Securities on behalf of the Offeror to acquire all the issued Shares (other than those Shares already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it)
“Offer Period”	the period commencing on 12 September 2025, being the date of the Joint Announcement, and ending on the date when the Offer closes or otherwise lapses
“Offer Price”	the price at which the Offer is made, being HK\$0.024 per Offer Share
“Offer Share(s)”	all of the Share(s) in issue, other than those already owned and/or agreed to be acquired by the Offeror and/or parties acting in concert with it (including Mr. Cheung)
“Offeror” or “Leading Virtue”	Leading Virtue Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and is wholly-owned by Mr. Cheung
“Overseas Shareholder(s)”	Shareholder(s) whose addresses, as shown on the register of members of the Company, are outside Hong Kong
“Prime Securities”	Prime Securities Limited, a corporation licensed to carry out regulated activity of Type 1 (dealing in securities) under the SFO

DEFINITIONS

“Prosper Rich”	Prosper Rich Investments Limited, a company incorporated in the British Virgin Islands with limited liability, and is wholly-owned by Ms. Leung Lisa
“Prosper Rich Disposal”	the disposal of 165,821,793 Shares on 12 September 2025 to Hammer Capital Consulting, representing 5.3% of the issued Shares, the details of which are set out in the section headed “Dealings in the Securities of the Company” in Appendix IV “General Information of the Offeror” to this Composite Document
“Purchasers”	the Offeror and Mr. Cheung
“Registrar”	Tricor Investor Services Limited, the Hong Kong branch share registrar and transfer agent of the Company, being the agent to receive the Form of Acceptance under the Offer
“Relevant Period”	the period from 12 March 2025, being the date falling six months preceding the commencement of the Offer Period, up to and including the Latest Practicable Date
“Sale and Purchase Agreement”	the sale and purchase agreement dated 12 September 2025 entered into between the Sellers and the Purchasers for the sale and purchase of the Sale Shares
“Sale Share(s)”	552,982,240 Shares and 213,057,793 Shares (representing a total of 766,040,033 Shares) sold by Prosper Rich and Hammer Capital Consulting, respectively, to the Purchasers pursuant to the Sale and Purchase Agreement, and each a “Sale Share”
“Seller(s)”	Hammer Capital Consulting and Prosper Rich and each a “Seller”
“SFC”	The Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of the Company of HK\$0.0025 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Valuation Report”	the valuation report on the properties of the Group set out in Appendix III to this Composite Document
“%”	per cent.



發利證券有限公司
PRIME SECURITIES LIMITED

Room 1602, 16/F
Kai Tak Commercial Building
317-319 Des Voeux Road Central
Hong Kong

14 October, 2025

To the Independent Shareholders

Dear Sir or Madam,

**MANDATORY CONDITIONAL CASH OFFER BY
PRIME SECURITIES LIMITED
ON BEHALF OF LEADING VIRTUE HOLDINGS LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF
SHUNTEN INTERNATIONAL (HOLDINGS) LIMITED
(OTHER THAN THOSE SHARES
ALREADY OWNED AND/OR AGREED TO BE ACQUIRED BY
THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

Reference is made to the Joint Announcement.

On 12 September 2025, the Offeror and Mr. Cheung, each as the Purchaser, and Prosper Rich and Hammer Capital Consulting, each as the Seller, entered into the Sale and Purchase Agreement. Pursuant to the Sale and Purchase Agreement, (i) the Offeror has agreed to acquire 552,982,240 Shares from Prosper Rich for a consideration of HK\$13,271,573 and 181,057,793 Shares from Hammer Capital Consulting for a consideration of HK\$4,345,387, representing a total of 734,040,033 Shares for a total consideration of HK\$17,616,960; and (ii) Mr. Cheung has agreed to acquire 32,000,000 Shares from Hammer Capital Consulting for a consideration of HK\$768,000. The Sale Shares, totalling 766,040,033 Sale Shares represent approximately 24.65% of the Company's total issued share capital. The aggregate consideration for the Sale Shares is HK\$18,384,960, equivalent to approximately HK\$0.024 per Sale Share.

Completion and settlement of the aggregate consideration for the Sale Shares of HK\$18,384,960 thereunder took place on the same date of the Sale and Purchase Agreement, being 12 September 2025. Immediately before Completion, the Offeror and parties acting in concert with it (excluding 552,982,240 Shares owned by Prosper Rich, a Seller and a party presumed to be acting in concert with the Offeror prior to the Completion) owned 750,494,000 Shares (representing approximately 24.15% of the total issued Shares). Immediately following Completion and as at the Latest Practicable Date, the Offeror and parties acting in concert with it are interested in 1,516,534,033 Shares (representing approximately 48.80% of the total issued Shares).

LETTER FROM PRIME SECURITIES

This letter forms part of this Composite Document and sets out, among other things, details of the Offer, information on the Offeror, and the Offeror's intention in relation to the Group. Further details on the terms and procedures for acceptance and settlement of the Offer are set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

The Independent Shareholders and potential investors are strongly advised to carefully consider the information contained in this Composite Document, including the letter from the Board, the letter of recommendation from the Independent Board Committee and the letter of advice from the Independent Financial Adviser, and to exercise caution when dealing in the Shares. If in doubt, they should consult their own professional advisers before reaching a decision as to whether or not to take any action in respect of the Offer.

THE OFFER

Prime Securities, on behalf of the Offeror, hereby makes the Offer in compliance with the Takeovers Code on the following basis:

For each Offer Share HK\$0.024 in cash

Pursuant to the Takeovers Code, the Offer Price must not be lower than the purchase price per Sale Share payable by the Purchasers to the Sellers under the Sale and Purchase Agreement. The Offeror has therefore decided to set the Offer Price at HK\$0.024, which is equal to the price per Sale Share paid by the Purchasers under the Sale and Purchase Agreement.

The Offer is subject to the fulfillment of the Condition as set out under the paragraph headed "Condition to the Offer" in this letter.

The Offer is extended to all Shareholders other than the Offeror and parties acting in concert with it in accordance with the Takeovers Code. The Offer Shares to be acquired under the Offer shall be fully paid and free from all Encumbrances and together with all rights and interests attaching thereto, including all rights to any dividends or other distributions declared, made or paid on or after the date on which the Offer is made, being the date of the despatch of this Composite Document.

As at the Latest Practicable Date, the Company has 3,107,893,440 Shares in issue. There are no outstanding Shares, options, warrants, derivatives or securities convertible or exchangeable into Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code).

THE OFFER PRICE

The Offer Price of HK\$0.024 per Share represents:

- (a) a discount of approximately 33.33% to the closing price of HK\$0.036 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

LETTER FROM PRIME SECURITIES

- (b) a discount of approximately 22.58% to the closing price of HK\$0.031 per Share as quoted on the Stock Exchange on 11 September 2025, being the last Business Day before the Offer Period;
- (c) a discount of approximately 20.00% to the closing price of HK\$0.030 per Share as quoted on the Stock Exchange on 12 September 2025, being the date of the Joint Announcement;
- (d) a discount of approximately 25.00% to the average closing price of HK\$0.032 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately prior to the date of the Joint Announcement;
- (e) a discount of approximately 22.58% to the average closing price of HK\$0.031 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the date of the Joint Announcement;
- (f) a discount of approximately 25.00% to the average closing price of approximately HK\$0.032 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the date of the Joint Announcement;
- (g) a discount of approximately 22.58% to the average closing price of approximately HK\$0.031 per Share as quoted on the Stock Exchange for the last thirty (30) consecutive trading days up to and including the date of the Joint Announcement;
- (h) a discount of approximately 45.45% to the consolidated net asset value attributable to the Shareholders of approximately HK\$0.044 per Share as at 31 March 2025 calculated based on the audited consolidated net asset value attributable to the Shareholders of approximately HK\$136.6 million as at 31 March 2025; and
- (i) a discount of approximately 54.72% to the consolidated net asset value attributable to the Shareholders of approximately HK\$0.053 per Share as at 31 March 2025 calculated based on the adjusted net asset value attributable to the Shareholders of approximately HK\$164.6 million after taking into account the revaluation surplus of approximately HK\$29.9 million of the properties from 31 March 2025 to 31 July 2025, being the valuation date of the Valuation Report as set out in Appendix III to this Composite Document and the difference between the consideration under the Provisional Agreement (as defined in the section headed “5. Adjusted Net Asset Value” in Appendix II) and the appraised value of property 1 in the Valuation Report of HK\$1.9 million.

Highest and Lowest Closing Prices of Shares

During the Relevant Period, the highest and lowest closing prices of the Shares as quoted on the Stock Exchange was HK\$0.042 per Share on 15 September 2025 and 16 September 2025 and HK\$0.022 per Share on 7 April 2025, respectively.

LETTER FROM PRIME SECURITIES

Value of the Offer

As at the Latest Practicable Date, there are 3,107,893,440 Shares in issue. On the basis of the Offer Price of HK\$0.024 per Offer Share, the entire issued share capital of the Company would be valued at HK\$74,589,443. Excluding the Sale Shares and assuming there is no change in the issued share capital of the Company from the Latest Practicable Date up to the close of the Offer, a total of 1,591,359,407 Shares will be subject to the Offer. Based on the Offer Price of HK\$0.024 per Offer Share and on the basis of full acceptance of the Offer, the maximum payment obligations payable by the Offeror under the Offer would be HK\$38,192,626.

Confirmation of Financial Resources

The Offeror intends to finance the Offer by way of its internal resources. BaoQiao Partners has been appointed as the financial adviser to the Offeror in respect of the Offer and is satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer.

Condition to the Offer

The Offer is conditional upon valid acceptances of the Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the date of closing of the Offer announced in this Composite Document, i.e. 4 November 2025 (or such later time or date as the Offeror may, subject to the Takeovers Code, decide) in respect of the Offer Shares which, together with Shares already owned by the Offeror and parties acting in concert with it and acquired before or during the Offer Period, will result in the Offeror and parties acting in concert with it holding in aggregate more than 50% of the voting rights of the Company.

This condition cannot be waived. If the condition cannot be fulfilled by the First Closing Date, the Offer will lapse unless extended.

The Offeror will issue an announcement in relation to the revision, extension or lapse of the Offer or the fulfilment of such condition in accordance with the Takeovers Code and the Listing Rules.

The Offeror does intend to avail itself of any powers of compulsory acquisition of any Offer Share outstanding and not acquired under the Offer after the Closing Date.

The Offer may or may not become unconditional. Shareholders and investors of the Company should exercise caution when dealing in securities of the Company and if they are in any doubt about their position, they should consult their professional advisers.

CLOSING OF THE OFFER

In accordance with Rule 15.1 of the Takeovers Code, the Closing Date of the Offer will fall on or after the 21st day from the date of this Composite Document. Where the Offer becomes or is declared unconditional (whether as to acceptances or in all respects), it shall

LETTER FROM PRIME SECURITIES

remain open for acceptance for not less than fourteen (14) days thereafter. The Independent Shareholders are reminded that the Offeror does not have any obligations to keep the Offer open for acceptance beyond this minimum 14-days period.

The latest time on which the Offeror can declare the Offer unconditional as to acceptances is 7:00 p.m. on the 60th day after the posting of this Composite Document (or such later date to which the Executive may consent). In accordance with Rule 15.3 of the Takeovers Code, the Offeror will publish an announcement when the Offer becomes unconditional as to acceptances and when the Offer becomes unconditional in all respects.

Effect of Accepting the Offer

By validly accepting the Offer, the Independent Shareholders will sell their tendered Shares to the Offeror free from all Encumbrances and together with all rights attaching to them, including the rights to receive any dividends and other distributions, declared, made or paid on or after the date on which the Offer is made, that is, the date of the posting of this Composite Document. Acceptance of the Offer by any Independent Shareholder will be deemed to constitute a representation and warranty by such person that all Shares sold by such person under the Offer are free from all Encumbrances and together with all rights attaching to them, including the rights to receive any dividends and other distributions, declared, made or paid on or after the date on which the Offer is made, being the date of the despatch of this Composite Document.

Acceptance of the Offer would be irrevocable and would not be capable of being withdrawn, except as permitted under the Takeovers Code.

Hong Kong Stamp Duty

The seller's Hong Kong ad valorem stamp duty on acceptances of the Offer at a rate of 0.10% (or part thereof) of the market value of the Shares or the consideration payable in respect of the relevant acceptance by the Independent Shareholders, whichever is higher, will be deducted from the cash amount payable by the Offeror to the relevant Independent Shareholders who accept the Offer (where the stamp duty calculated includes a fraction of HK\$1, the stamp duty would be rounded-up to the nearest HK\$1). The Offeror will arrange for payment of the seller's Hong Kong ad valorem stamp duty on behalf of the relevant Independent Shareholders accepting the Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

Taxation advice

Independent Shareholders are recommended to consult their own professional advisers as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, its parties acting in concert, the Company, BaoQiao Partners, Prime Securities, the Independent Financial Adviser and the Registrar and their respective directors, officers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

LETTER FROM PRIME SECURITIES

Payment

Once the Offer has become, or has been declared, unconditional in all respects, payment in cash in respect of the acceptances of the Offer, will be made as soon as possible but in any event, no later than seven (7) Business Days after the date on which the duly completed acceptance of the Offer and the relevant documents of title of the Shares in respect of such acceptance are received by the Offeror to render each such acceptance of the Offer complete and valid pursuant to Rule 20.1 and Note 1 to Rule 30.2 of the Takeovers Code.

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

Overseas Shareholders

The Offeror intends to make the Offer available to all the Independent Shareholders, including the Overseas Shareholders. However, the Offer is in respect of securities of a company incorporated in the Cayman Islands and is subject to the procedural and disclosure requirements of Hong Kong which may be different from other jurisdictions.

Overseas Shareholders who wish to participate in the Offer but with a registered address outside Hong Kong are subject to, and may be limited by, the laws and regulations of their respective jurisdictions in connection with their participation in the Offer. Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe relevant applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the responsibility of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such accepting Overseas Shareholders in respect of such jurisdictions). As at the Latest Practicable Date, based on the record in the register of members of the Company, save as the Offeror, there is no Overseas Shareholder.

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

INFORMATION ON THE OFFEROR

The Offeror is a company incorporated in the British Virgin Islands with limited liability. As at the Latest Practicable Date, Mr. Cheung is the sole shareholder and sole director of the Offeror. The Offeror is principally engaged in investment holding. Mr. Cheung is the chairman of the Board and an executive Director. The Offeror has become a substantial shareholder of the Company in 2022 when the Offeror acquired approximately 23% of the issued share capital of the Company. Mr. Cheung joined the Board on 24 January 2022. As an executive Director of the Company, Mr. Cheung is involved in the

LETTER FROM PRIME SECURITIES

daily operations of the Group. Mr. Cheung also possesses extensive experience in the financial market. Prior to joining the Group, Mr. Cheung held key positions in various major investment banks in Asia Pacific. Based on the above background and experience, the Offeror and Mr. Cheung have the knowledge, expertise and experience in conducting and managing the Group's businesses.

INFORMATION ON THE GROUP

Details of the information on the Group are set out in the "Letter from the Board" in this Composite Document. Financial and general information of the Group are set out in Appendix II "Financial Information of the Group" and Appendix V "General Information of the Group" to this Composite Document, respectively.

INTENTION OF THE OFFEROR IN RELATION TO THE GROUP

Following the completion of the Offer, the Offeror intends to continue the existing businesses of the Group.

The Offeror has no intention to (i) acquire new business for the Group; (ii) introduce any major changes to, dispose of or downsizing the existing business and operation of the Group; (iii) discontinue the employment of any employees of the Group or to make significant changes to any employment; (iv) dispose of or re-deploy the fixed assets of the Company other than those in its ordinary and usual course of business; or (v) to nominate or appoint new Directors to the Board. However, the Offeror will continuously review the business of the Group and the Offeror reserves the right to make such changes that it deems necessary or appropriate to the Group's business and operations to optimise the value of the Group.

Public Float and Maintaining the Listing Status of the Company

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares (excluding treasury shares), are held by the public or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the Shares; or
- (ii) that there are insufficient Shares in public hands to maintain an orderly market;

it will consider exercising its discretion to suspend dealings in the Shares.

The Offeror intends the Company to remain listed on the Stock Exchange. The sole director of the Offeror has undertaken to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Company's Shares.

LETTER FROM PRIME SECURITIES

GENERAL

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

All communications, notices, Form of Acceptance, share certificates, transfer receipts, other documents of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to settle the consideration payable under the Offer to be delivered by or sent to or from the Independent Shareholders 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 parties acting in concert with it, BaoQiao Partners, Prime Securities, the Company, the Independent Financial Adviser and their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offer accepts any liability for any loss or delay in postage or any other liabilities whatsoever which may arise as a result thereof. Further details in respect of the procedures for acceptance of the Offer are set out in Appendix I “Further Terms and Procedures for Acceptance of the Offer” to this Composite Document.

WARNING

Shareholders and potential investors of the Company should exercise caution when dealing in the Shares, and if they are in any doubt about their position or as to the action they should take, they should consult their stockbroker, bank manager, solicitor or other professional advisers.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information relating to the Offer set out in the appendices to this Composite Document and the accompanying Form of Acceptance, which form part of this Composite Document. In addition, you are reminded to carefully consider the information contained in the “Letter from the Board”, the “Letter from the Independent Board Committee” and the “Letter from the Independent Financial Adviser” set out in this Composite Document and to consult your professional advisers as you see fit, before deciding whether or not to accept the Offer.

Yours faithfully,
Prime Securities Limited
HUI Yuet Man
Managing Director

Mr. HUI Yuet Man is a responsible officer registered under the SFO to carry out Type 1 (dealing in securities) regulated activity for Prime Securities Limited.



Shunten International (Holdings) Limited

順騰國際(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 932)

Executive Director:

Mr. CHEUNG Siu Fai (*Chairman*)

Non-executive Director:

Ms. SO Tsz Kwan

Independent Non-executive Directors:

Mr. LEUNG Winson Kwan Yau

Ms. DONG Jian Mei

Mr. LAM Chik Shun Marcus

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman, KY1-1111

Cayman Islands

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

Unit D, 7/F, KC100

100 Kwai Cheong Road

Kwai Chung

New Territories

Hong Kong

14 October 2025

To the Independent Shareholders

Dear Sir or Madam,

**MANDATORY CONDITIONAL CASH OFFER BY
PRIME SECURITIES LIMITED
ON BEHALF OF LEADING VIRTUE HOLDINGS LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF
SHUNTEN INTERNATIONAL (HOLDINGS) LIMITED
(OTHER THAN THOSE SHARES
ALREADY OWNED AND/OR AGREED TO BE ACQUIRED BY
THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT)**

LETTER FROM THE BOARD

INTRODUCTION

Reference is made to the Joint Announcement.

On 12 September 2025, the Offeror and Mr. Cheung, each as the Purchaser, and Prosper Rich and Hammer Capital Consulting, each as the Seller, entered into the Sale and Purchase Agreement. Pursuant to the Sale and Purchase Agreement, (i) the Offeror has agreed to acquire 552,982,240 Shares from Prosper Rich for a consideration of HK\$13,271,573 and 181,057,793 Shares from Hammer Capital Consulting for a consideration of HK\$4,345,387, representing a total of 734,040,033 Shares for a total consideration of HK\$17,616,960; and (ii) Mr. Cheung has agreed to acquire 32,000,000 Shares from Hammer Capital Consulting for a consideration of HK\$768,000. The Sale Shares, totalling 766,040,033 Sale Shares represent approximately 24.65% of the Company's total issued share capital. The aggregate consideration for the Sale Shares is HK\$18,384,960, equivalent to approximately HK\$0.024 per Sale Share.

Completion and settlement of the aggregate consideration for the Sale Shares of HK\$18,384,960 thereunder took place on the same date of the Sale and Purchase Agreement, being 12 September 2025. Immediately before Completion and after completion of the Prosper Rich Disposal, the Offeror and parties acting in concert with it (excluding 552,982,240 Shares owned by Prosper Rich, a Seller and a party presumed to be acting in concert with the Offeror prior to the Completion) owned 750,494,000 Shares (representing approximately 24.15% of the total issued Shares). Immediately following Completion and as at the Latest Practicable Date, the Offeror and parties acting in concert with it are interested in 1,516,534,033 Shares (representing approximately 48.80% of the total issued Shares).

The purpose of this Composite Document (of which this letter forms part) is to provide you with, among other things, (i) information relating to the Group, the Offeror and the Offer; (ii) the letter from Prime Securities containing details of the Offer; (iii) the letter from the Independent Board Committee containing its recommendations to the Independent Shareholders in relation to the Offer; and (iv) the letter from the Independent Financial Adviser containing its advice to the Independent Board Committee in respect of the Offer, in particular, as to whether the Offer is fair and reasonable so far as the Independent Shareholders are concerned and as to acceptance of the Offer.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 2.1 of the Takeovers Code, the Independent Board Committee, comprising all the independent non-executive Directors, namely, Mr. Leung Winson Kwan Yau, Ms. Dong Jian Mei and Mr. Lam Chik Shun Marcus, has been established to advise the Independent Shareholders as to whether the Offer is fair and reasonable and as to acceptance of the Offer.

The non-executive Director, Ms. So Tsz Kwan (“**Ms. So**”), has not been included in the Independent Board Committee as Ms. So has been serving as vice president at Ruima Hong Kong Limited, a company controlled by Ms. Leung Lisa, and is therefore not independent in relation to the Offer.

LETTER FROM THE BOARD

Altus Capital has been appointed as the Independent Financial Adviser with the approval of the Independent Board Committee to advise the Independent Board Committee in respect of the Offer and, in particular, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer pursuant to Rule 2.1 of the Takeovers Code.

The full texts of the letter from the Independent Board Committee addressed to the Independent Shareholders and the letter from the Independent Financial Adviser addressed to the Independent Board Committee are set out in this Composite Document. **You are advised to read both letters and the additional information contained in the appendices to this Composite Document carefully before taking any action in respect of the Offer.**

PRINCIPAL TERMS OF THE OFFER

Prime Securities is making the Offer on behalf of the Offeror in compliance with the Takeovers Code on the following basis:

For each Offer Share HK\$0.024 in cash

The Offer Price of HK\$0.024 is equal to the price per Sale Share paid by the Purchasers to the Sellers under the Sale and Purchase Agreement.

The Offer is subject to the fulfillment of the Condition as set out under the paragraph headed “Condition to the Offer” in this letter.

The Offer is extended to all Shareholders other than the Offeror and parties acting in concert with it in accordance with the Takeovers Code. The Offer Shares to be acquired under the Offer shall be fully paid and free from all Encumbrances and together with all rights and interests attaching thereto, including all rights to any dividends or other distributions declared, made or paid on or after the date on which the Offer is made, being the date of the despatch of this Composite Document. As at the Latest Practicable Date there is no dividend or distributions declared and which remain unpaid, and the Company has no intention to declare, make or pay any dividend or distribution up to the close or lapse of the Offer.

As at the Latest Practicable Date, the Company has 3,107,893,440 Shares in issue. There are no outstanding Shares, options, warrants, derivatives or securities convertible or exchangeable into Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code).

Condition to the Offer

The Offer is conditional upon valid acceptances of the Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the date of closing of the Offer announced in this Composite Document, i.e. 4 November 2025 (or such later time or date as the Offeror may, subject to the Takeovers Code, decide) in respect of the Offer Shares which, together with Shares already owned by the Offeror and parties acting in concert with it and acquired before or during the Offer Period, will result in the Offeror and parties acting in concert with it holding in aggregate more than 50% of the voting rights of the Company.

LETTER FROM THE BOARD

This condition cannot be waived. If the condition cannot be fulfilled by the First Closing Date, the Offer will lapse unless extended.

The Offeror will issue an announcement in relation to the revision, extension or lapse of the Offer or the fulfilment of such condition in accordance with the Takeovers Code and the Listing Rules.

Further Details of the Offer

Further details of the Offer, including, among other things, its extension to the Overseas Shareholders, information on taxation, the terms and conditions and the procedures for acceptance and settlement and acceptance period can be found in the “Letter from Prime Securities” and Appendix I “Further Terms and Procedures for Acceptance of the Offer” to this Composite Document and the accompanying Form of Acceptance.

INFORMATION ON THE GROUP

The Company is a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange. The Group is principally engaged in the sale, marketing and distribution of health and beauty supplements and products and property investment in Hong Kong.

Set out below is certain financial information from the audited consolidated results of the Group for each of the two financial years ended 31 March 2025 and 2024, as extracted from the annual report of the Company for the year ended 31 March 2025.

	For the year ended	
	31 March	31 March
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Audited)</i>	<i>(Audited)</i>
Revenue		
— Health and beauty supplements and products business	199,918	230,580
— Property investment business	<u>5,130</u>	<u>5,006</u>
	<u>205,048</u>	<u>235,586</u>
(Loss)/profit before income tax	(33,368)	4,574
Net (loss)/profit	<u>(36,243)</u>	<u>518</u>

LETTER FROM THE BOARD

	As at	
	31 March 2025	31 March 2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Audited)</i>	<i>(Audited)</i>
Total assets	288,904	344,334
Total liabilities	153,559	172,726
Net assets	135,345	171,608
Net assets attributable to owners of the Company	136,624	172,887

The Group's revenue is derived from two business segments, namely (i) the health and beauty supplements and products business, which involves development, manufacturing and sales of health and beauty supplements and products; and (ii) the property investment business in respect of leasing of investment properties.

The Group's health and beauty supplements and products are sold under the proprietary brands developed and managed by the Group ("**Proprietary Brands**") and a private label brand specifically developed for and owned by a renowned retail chain of health and beauty products in Hong Kong and Macau ("**Private Label Brand**"). The major Proprietary Brands include "Royal Medic", "Legend", "MeltyEnz", "CleansingEnz", "La Gusto", "Prof Health", "HARUKA" and "Mr. 75", and the Private Label Brand is "Health Proof". The Group mainly sells and distributes its products through a renowned local retail chain distributor, the Group's special designated counters, the Hong Kong Brands and Products Expo, the Group's own e-commerce online platform and designated cross-border e-commerce platforms in Mainland China.

For the years ended 31 March 2024 ("**FY2024**") and 2025 ("**FY2025**"), the health and beauty supplements and products business accounted for over 97% of the Group's total revenue and it reported a decline in revenue of approximately 13.3% from approximately HK\$230.6 million for FY2024 to approximately HK\$199.9 million for FY2025, which was driven by the weak local retail market conditions and consumer sentiment in Hong Kong and Macau as well as the reduction of spending power and the change in consumption pattern of visitors.

The Group holds various commercial, industrial and residential properties in Hong Kong for investment holding and leasing purposes and the revenue from the property investment business for FY2025 and FY2024 were approximately HK\$5.1 million and approximately HK\$5.0 million, respectively.

Overall, the Group's revenue declined by approximately 13.0% to approximately HK\$205.0 million in FY2025. For FY2025, the Group generated a loss attributable to owners of the Company of approximately HK\$36.2 million as compared to profit of approximately HK\$0.5 million for FY2024, mainly due to reduced revenue from the health and beauty supplements and products business and an unrealised fair value loss on investment properties of approximately HK\$30.4 million in FY2025, up from approximately HK\$15.0 million in FY2024, reflecting continued weakness in Hong Kong's property market.

LETTER FROM THE BOARD

Further financial information and general information in relation to the Group are set out in Appendix II “Financial Information of the Group” and Appendix V “General Information of the Group” to this Composite Document. The valuation report on the properties of the Group is set out in the Appendix III “Valuation Report on Properties of the Group” to this Composite Document.

Shareholding Structure of the Company

The following table sets out the shareholding structure of the Company (i) immediately before the Prosper Rich Disposal (as defined in Appendix IV); (ii) after the Prosper Rich Disposal and immediately before Completion; and (iii) immediately after Completion, as at the Latest Practicable Date and before the Offer (assuming no other changes to the issued share capital of the Company from the Latest Practicable Date):

Shareholders	Immediately before the Prosper Rich Disposal		After the Prosper Rich Disposal and immediately before Completion		Immediately after Completion, as at the Latest Practicable Date and before the Offer	
	Number of Shares	<i>Approximate percentage of shareholding in the total issued Shares</i>	Number of Shares	<i>Approximate percentage of shareholding in the total issued Shares</i>	Number of Shares	<i>Approximately percentage of shareholding in the total issued Shares</i>
Purchasers						
— Leading Virtue ⁽¹⁾	723,242,000	23.27%	723,242,000	23.27%	1,457,282,033	46.89%
— Mr. Cheung	27,252,000	0.88%	27,252,000	0.88%	59,252,000	1.91%
<i>Subtotal of the Offeror and parties acting in concert with it (excluding Prosper Rich)</i>	750,494,000	24.15%	750,494,000	24.15%	1,516,534,033	48.80%
Sellers						
— Prosper Rich ⁽²⁾⁽³⁾⁽⁴⁾	718,804,033	23.13%	552,982,240	17.79%	—	—
— Hammer Capital Consulting ⁽²⁾⁽³⁾⁽⁴⁾	47,236,000	1.52%	213,057,793	6.86%	—	—
	766,040,033	24.65%	766,040,033	24.65%	—	—
Public	1,591,359,407	51.20%	1,591,359,407	51.20%	1,591,359,407	51.20%
Total	3,107,893,440	100.00%	3,107,893,440	100.00%	3,107,893,440	100.00%

Notes:

1. Leading Virtue (i.e. the Offeror) is wholly-owned by Mr. Cheung.
2. Both Hammer Capital Consulting and Prosper Rich are wholly-owned by Ms. Leung Lisa.
3. Upon the sale of the Shares by Prosper Rich and Hammer Capital Consulting under the Sale and Purchase Agreement, Prosper Rich and the Offeror are no longer presumed to be acting in concert under Class (1) of the presumptions of acting in concert nor are they acting in concert as a matter of fact in respect of the Company.
4. Ms. Leung Lisa and/or her controlled companies (including Hammer Capital Consulting and Prosper Rich) are not parties acting in concert with Mr. Cheung and/or his controlled companies (including the Offeror) as a matter of fact in respect of the Company.
5. Save for Mr. Cheung, none of the Directors hold any Shares.

LETTER FROM THE BOARD

INFORMATION ON THE OFFEROR

Your attention is drawn to the section headed “Information on the Offeror” in the “Letter from Prime Securities” and Appendix IV “General Information of the Offeror” to this Composite Document.

INTENTION OF THE OFFEROR IN RELATION TO THE GROUP

Your attention is drawn to the section headed “Intention of the Offeror in relation to the Group” in the “Letter from Prime Securities” to this Composite Document and the following disclosure as extracted therefrom:

The Board is pleased to note that, following the completion of the Offer, the Offeror intends to continue the existing businesses of the Group. The Offeror has no intention to (i) acquire new business for the Group; (ii) introduce any major changes to, dispose of or downsizing the existing business and operation of the Group; (iii) discontinue the employment of any employees of the Group or to make significant changes to any employment; (iv) dispose of or re-deploy the fixed assets of the Company other than those in its ordinary and usual course of business; or (v) to nominate or appoint new Directors to the Board. However, the Offeror will continuously review the business of the Group and the Offeror reserves the right to make such changes that it deems necessary or appropriate to the Group’s business and operations to optimise the value of the Group.

The Board has noted the intentions of the Offeror in respect of the Group and its employees and will render cooperation and support to the Offeror.

Public Float and Maintaining the Listing Status of the Company

As stated in the “Letter from Prime Securities”, the Offeror intends to maintain the listing of the Shares on the Stock Exchange.

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares (excluding treasury shares), are held by the public or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the Shares; or
- (ii) that there are insufficient Shares in public hands to maintain an orderly market;

it will consider exercising its discretion to suspend dealings in the Shares.

The Offeror intends the Company to remain listed on the Stock Exchange. The sole director of the Offeror has undertaken to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Company’s Shares.

LETTER FROM THE BOARD

RECOMMENDATION

Your attention is drawn to (i) “Letter from Prime Securities” as set out on pages 5 to 12 of this Composite Document, (ii) “Letter from the Independent Board Committee” as set out on pages 21 to 22 to this Composite Document, which contains its advice and recommendation to the Independent Shareholders in respect of the Offer and (iii) “Letter from the Independent Financial Adviser” as set out on pages 23 to 46 of this Composite Document, which contains, among other things, its advice to the Independent Board Committee in relation to the Offer and the principal factors considered by it before arriving at its recommendation.

ADDITIONAL INFORMATION

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

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

Yours faithfully,
By order of the Board
Shunten International (Holdings) Limited
CHEUNG Siu Fai
Chairman and Executive Director



Shunten International (Holdings) Limited

順騰國際(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 932)

14 October 2025

To the Independent Shareholders

Dear Sir or Madam,

**MANDATORY CONDITIONAL CASH OFFER BY
PRIME SECURITIES LIMITED
ON BEHALF OF LEADING VIRTUE HOLDINGS LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF
SHUNTEN INTERNATIONAL (HOLDINGS) LIMITED
(OTHER THAN THOSE SHARES
ALREADY OWNED AND/OR AGREED TO BE ACQUIRED BY
THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

We refer to the composite document (the “**Composite Document**”) dated 14 October 2025 jointly issued by the Company and the Offeror in relation to, among other things, the Offer, of which this letter forms part. Unless the context requires otherwise, terms used in this letter shall have the same meaning as given to them in this Composite Document.

We have been appointed by the Board as the Independent Board Committee to make a recommendation to the Independent Shareholders as to whether the Offer is, or is not, fair and reasonable and make recommendation in respect of acceptance thereof.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Altus Capital, being the Independent Financial Adviser, has been appointed by the Company with our approval, to advise us in respect of the Offer and, in particular, as to whether the Offer is or is not fair and reasonable and to make recommendation in respect of acceptance thereof pursuant to Rule 2.1 of the Takeovers Code. Details of its advice and recommendation, together with the principal factors and reasons which it has considered before arriving at such recommendation, are set out in the “Letter from the Independent Financial Adviser” as contained in this Composite Document.

We also wish to draw your attention to the “Letter from Prime Securities”, the “Letter from the Board” and the additional information set out in the appendices to this Composite Document.

RECOMMENDATION

Having considered the terms of the Offer and having taken into account the advice and recommendation of the Independent Financial Adviser and the principal factors and reasons taken into account in arriving at its recommendation, we consider that the Offer is not fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders not to accept the Offer.

Notwithstanding our recommendation, the Independent Shareholders are strongly advised that the decision to accept the Offer or to hold your investment in the Shares is subject to individual circumstances and investment objectives. If in doubt, the Independent Shareholders should consult their own professional advisers for professional advice. Furthermore, the Independent Shareholders who wish to accept the Offer are recommended to read carefully the terms and procedures for acceptance of the Offer as detailed in this Composite Document and the accompanying Form of Acceptance.

Yours faithfully,

For and on behalf of the Independent Board Committee of

Shunten International (Holdings) Limited

**Mr. LEUNG Winson Kwan
Yau**

*Independent non-executive
Director*

Ms. DONG Jian Mei

*Independent non-executive
Director*

Mr. LAM Chik Shun Marcus

*Independent non-executive
Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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

ALTUS.

Altus Capital Limited
21 Wing Wo Street
Central
Hong Kong

14 October 2025

To the Independent Board Committee

SHUNTEN INTERNATIONAL (HOLDINGS) LIMITED

Unit D, 7/F, KC100
100 Kwai Cheong Road
Kwai Chung
New Territories
Hong Kong

Dear Sir or Madam,

MANDATORY CONDITIONAL CASH OFFER BY PRIME SECURITIES LIMITED ON BEHALF OF LEADING VIRTUE HOLDINGS LIMITED TO ACQUIRE ALL THE ISSUED SHARES OF SHUNTEN INTERNATIONAL (HOLDINGS) LIMITED (OTHER THAN THOSE SHARES ALREADY OWNED AND/OR AGREED TO BE ACQUIRED BY THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT)

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offer. Details of the Offer are set out in the “Letter from the Board” contained in the Composite Document dated 14 October 2025 jointly issued by the Company and the Offeror to the Shareholders, of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Composite Document unless the context requires otherwise.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

THE OFFER

On 12 September 2025, the Offeror and Mr. Cheung, each as the Purchaser, and Prosper Rich and Hammer Capital Consulting, each as the Seller, entered into the Sale and Purchase Agreement. Pursuant to the Sale and Purchase Agreement, (i) the Offeror has agreed to acquire 552,982,240 Shares from Prosper Rich for a consideration of HK\$13,271,573 and 181,057,793 Shares from Hammer Capital Consulting for a consideration of HK\$4,345,387, representing a total of 734,040,033 Shares for a total consideration of HK\$17,616,960; and (ii) Mr. Cheung has agreed to acquire 32,000,000 Shares from Hammer Capital Consulting for a consideration of HK\$768,000. The Sale Shares, totaling 766,040,033 Sale Shares represent approximately 24.65% of the Company's total issued share capital. The aggregate consideration for the Sale Shares is HK\$18,384,960, equivalent to approximately HK\$0.024 per Sale Share.

Completion and settlement of the aggregate consideration for the Sale Shares of HK\$18,384,960 thereunder took place on the same date of the Sale and Purchase Agreement, being 12 September 2025. Immediately before Completion and after completion of the Prosper Rich Disposal, the Offeror and parties acting in concert with it (excluding 552,982,240 Shares owned by Prosper Rich, a Seller and a party presumed to be acting in concert with the Offeror prior to the Completion) owned 750,494,000 Shares (representing approximately 24.15% of the total issued Shares). Immediately following Completion and as at the Latest Practicable Date, the Offeror and parties acting in concert with it are interested in 1,516,534,033 Shares (representing approximately 48.80% of the total issued Shares).

Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make a mandatory conditional cash offer for all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it). Prime Securities will, on behalf of the Offeror, make the Offer in compliance with the Takeovers Code.

THE INDEPENDENT BOARD COMMITTEE

Pursuant to Rule 2.1 of the Takeovers Code, the Independent Board Committee, comprising all the independent non-executive Directors, namely, Mr. Leung Winson Kwan Yau, Ms. Dong Jian Mei and Mr. Lam Chik Shun Marcus, has been established to advise the Independent Shareholders as to whether the Offer is fair and reasonable and as to acceptance of the Offer.

The non-executive Director, Ms. So Tsz Kwan (“**Ms. So**”), has not been included in the Independent Board Committee as Ms. So has been serving as vice president at Ruima Hong Kong Limited, a company controlled by Ms. Leung Lisa, and is therefore not independent in relation to the Offer.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

THE INDEPENDENT FINANCIAL ADVISER

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee in respect of the Offer. Our appointment as the Independent Financial Adviser has been approved by the Independent Board Committee. As the Independent Financial Adviser with respect to the Offer, our role is to provide the Independent Board Committee with an independent opinion and recommendations as to whether the Offer is fair and reasonable and as to the acceptance of the Offer pursuant to Rule 2.1 of the Takeovers Code.

We (i) are not associated or connected, financially or otherwise, with the Company or the Offeror or the Sellers, their respective substantial or controlling shareholders or any parties acting, or presumed to be acting, in concert with any of them; and (ii) have not acted as financial adviser or independent financial adviser in relation to any transaction of the Company or the Offeror or the Sellers, their respective substantial or controlling shareholders or any parties acting in concert with any of them in the last two years prior to the date of the Composite Document.

Pursuant to Rule 13.84 of the Listing Rules and Rule 2 of the Takeovers Code, and given that (i) the remuneration for our engagement to opine on the Offer is at market level and not conditional upon the outcome of the Offer; (ii) no arrangement exists whereby we shall receive any fees or benefits from the Company or the Offeror or the Sellers, their respective substantial or controlling shareholders or any parties acting in concert with any of them; and (iii) our engagement is on normal commercial terms and approved by the Independent Board Committee, we are independent of the Company or the Offeror or the Sellers, their respective substantial or controlling shareholders or any parties acting in concert with any of them and can act as the Independent Financial Adviser to the Independent Board Committee in respect of the Offer.

BASIS OF OUR ADVICE

In formulating our opinion, we have reviewed, amongst others (i) the annual report of the Company for the year ended 31 March 2025 (the “**2024/2025 Annual Report**”); and (ii) other information as set out in the Composite Document.

We have relied on the statements, information, opinions and representations contained or referred to in the Composite Document and/or provided to us by the Company, the directors and the management of the Company (collectively the “**Management**”). We have assumed that all statements, information, opinions and representations contained or referred to in the Composite Document and/or provided to us were true, accurate and complete in all material aspects at the time they were made and continued to be so as at the Latest Practicable Date. The Company will notify the Independent Shareholders of any material changes to information contained or referred to in the Composite Document as soon as possible in accordance with Rule 9.1 of the Takeovers Code. The Independent Shareholders will also be informed as soon as possible when there are any material changes to the information contained or referred to herein as well as changes to our opinion, if any, after the Latest Practicable Date, and up to the close of the Offer Period.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We have no reason to believe that any statements, information, opinions or representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any material fact the omission of which would render the statements, information, opinions or representations provided to us untrue, inaccurate or misleading. We have assumed that all the statements, information, opinions and representations for matters relating to Company contained or referred to in the Composite Document, and information relating to Company provided to us by Company and the Management have been reasonably made after due and careful enquiry. We have relied on such statements, information, opinions and representations and consider that we have been provided with and have reviewed sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not conducted any independent investigation into the business, financial conditions and affairs or the future prospects of the Group.

We have not considered the taxation implications on the Independent Shareholders arising from acceptance or non-acceptance of the Offer, if any, and therefore we will not accept responsibility for any tax effect or liability that may potentially be incurred by the Independent Shareholders as a result of the Offer. In particular, the Independent Shareholders who are subject to Hong Kong or overseas taxation on dealings in securities are urged to seek their own professional advice on tax matters.

PRINCIPAL TERMS OF THE OFFER

Prime Securities Limited, on behalf of the Offeror, is making the Offer in compliance with the Takeovers Code on the following basis:

The Offer

For each Offer Share. HK\$0.024 in cash

Pursuant to the Takeovers Code, the Offer Price must not be lower than the purchase price per Sale Share payable by the Purchasers to the Sellers under the Sale and Purchase Agreement. The Offeror has therefore decided to set the Offer Price at HK\$0.024, which is equal to the price per Sale Share paid by the Purchasers under the Sale and Purchase Agreement.

The Offer is extended to all Shareholders other than the Offeror and parties acting in concert with it in accordance with the Takeovers Code. The Offer Shares to be acquired under the Offer shall be fully paid and free from all Encumbrances and together with all rights and interests attaching thereto, including all rights to any dividends or other distributions declared, made or paid on or after the date on which the Offer is made, being the date of the despatch of the Composite Document.

PRINCIPAL FACTORS AND REASONS CONSIDERED

1. Background and financial information of the Group

1.1 Background of the Group

The Group is principally engaged in the sale, marketing and distribution of health and beauty supplements and products and property investment in Hong Kong. The Group's health and beauty supplements and products are sold under the proprietary brands developed and managed by the Group ("**Proprietary Brands**") and a private label brand specifically developed for and owned by a renowned retail chain of health and beauty products in Hong Kong and Macau. The Group mainly sells and distributes its products through (i) a renowned local retail chain distributor; (ii) its own special designated counters; and (iii) at the Hong Kong Brands and Products Expo. The Group also has its own e-commerce online platform and designated cross-border e-commerce platforms in Mainland China.

For its property investment business, the Group owns various industrial, commercial and residential use properties in Hong Kong for investment holding and leasing purposes.

1.2 Financial information of the Group

Set out below are tables summarizing certain key financial information of the Group for its financial years ended 31 March ("**FY**") 2024 and 2025 ("**FY2024**" and "**FY2025**", respectively) as extracted from the 2024/2025 Annual Report.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Extract of consolidated statement of profit or loss

	For the year ended	
	31 March	
	FY2025	FY2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(audited)</i>	<i>(audited)</i>
Revenue	205,048	235,586
— <i>Health and beauty supplements and products business</i>	<u>199,918</u>	<u>230,580</u>
— <i>Property investment business</i>	<u>5,130</u>	<u>5,006</u>
Cost of sales	<u>(47,095)</u>	<u>(51,374)</u>
Gross profit	157,953	184,212
<i>Gross profit margin</i>	<i>77.0%</i>	<i>78.2%</i>
Other income, gains or losses	941	1,643
Selling and distribution expenses	(53,131)	(54,499)
Administrative expenses	(102,002)	(103,802)
Reversal of/(impairment loss) under expected credit loss model on trade and other receivables	202	(203)
Fair value change of investment properties	(30,400)	(15,000)
Finance costs	<u>(6,931)</u>	<u>(7,777)</u>
(Loss)/profit before taxation	(33,368)	4,574
Taxation	<u>(2,875)</u>	<u>(4,056)</u>
(Loss)/profit for the year	<u>(36,243)</u>	<u>518</u>

The Group's revenue decreased by 13.0% from HK\$235.6 million in FY2024 to HK\$205.0 million in FY2025. This decline was mainly attributable to weak local retail market conditions and consumer sentiment in Hong Kong and Macau, as well as the reduction of spending power and change in consumption pattern of visitors which affected the Group's health and beauty supplements and products business. The Group's property investment revenue meanwhile increased marginally from HK\$5.0 million in FY2024 to HK\$5.1 million in FY2025. For our further discussion on the general market, please see the section headed "2. Industry development and outlook".

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Relative to revenue, the Group's cost of sales decreased by a lesser extent of 8.4% from HK\$51.4 million in FY2024 to HK\$47.1 million in FY2025 as there was an increase in production staff cost despite lower revenue. As a result, the Group's overall gross profit decreased by 14.3% from HK\$184.2 million in FY2024 to HK\$158.0 million in FY2025, and gross profit margin decreased marginally by 1.2 percentage points from 78.2% in FY2024 to 77.0% in FY2025. The Group's selling and distribution expenses similarly decreased, though by a lesser of 2.5% from HK\$54.5 million in FY2024 to HK\$53.1 million in FY2025, due to the lower commission expenses to promoters linked to the drop in sales in retail shops with the presence of promoters. Administrative expenses, which consisted mainly of fixed expenses such as employee salaries and benefits, depreciation of plant, property and equipment and consultancy fees, had meanwhile stayed relatively stable despite lower revenue.

The Group's recorded fair value loss of investment properties widened by 102.7% from HK\$15.0 million in FY2024 to HK\$30.4 million in FY2025 due to the ongoing deterioration of property market conditions in Hong Kong.

As a result of the foregoing, the Group recorded a loss of HK\$36.2 million in FY2025, compared to HK\$0.5 million in profit recorded in FY2024. Overall, the Group's expenses had not decreased to the same extent as its revenue, resulting in operating losses as analysed below, and further aggravated by the increase in fair value loss of investment properties.

To consider the Group's underlying operating performance, we have conducted an analysis by excluding the fair value change of investment properties which was not directly related to the Group's daily operations. The adjusted net (loss)/profit for the year attributable to the owners of the Company (the "**Adjusted Net (Loss)/Profit**") was arrived at by adding back the fair value loss of investment properties to the Group's (loss)/profit for the year attributable to owners of the Company. The table below is depicted for illustrative purposes only and is not in accordance with HKFRS Accounting Standards.

Extract of consolidated statement of profit or loss

	For the year ended	
	31 March	
	FY2025	FY2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
(Loss)/profit for the year attributable to owners of the Company	(36,243)	571
Adjustment:		
Fair value change of investment properties	30,400	15,000
Adjusted Net (Loss)/Profit	(5,843)	15,571

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

With reference to the above table, we observed that the Group's operating performance, which was principally attributable to the health and beauty supplements and products, had deteriorated from an Adjusted Net Profit of HK\$15.6 million in FY2024 to an Adjusted Net Loss of HK\$5.8 million in FY2025.

Extract of consolidated statement of financial position

	As at 31 March	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(audited)</i>	<i>(audited)</i>
Non-current assets	218,788	258,379
— Investment properties	176,700	207,100
— Property, plant and equipment	10,961	12,719
— Other non-current assets	31,127	38,560
Current assets	70,116	85,955
— Inventories	24,893	25,880
— Trade and other receivables, prepayments and deposits	37,100	45,033
— Tax recoverable	2,591	2,342
— Cash and cash equivalents	5,532	12,700
Total assets	288,904	344,334
Current liabilities	145,557	165,500
— Trade payables, other payables and accruals	20,930	21,094
— Bank and other borrowings	118,955	110,965
— Other current liabilities	5,672	33,441
Non-current liabilities	8,002	7,226
— Lease liabilities	5,730	6,460
— Deferred tax liabilities	2,272	766
Total liabilities	153,559	172,726
Net assets	135,345	171,608

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The main component of the Group's non-current assets was investment properties, which decreased by 14.7% from HK\$207.1 million as at 31 March 2024 to HK\$176.7 million as at 31 March 2025 in line with the aforesaid recognition of fair value losses of properties. As at 31 March 2025, the Group's investment property portfolio comprised (i) a commercial and residential building located in Sham Shui Po, Kowloon; (ii) industrial properties located in Kwai Chung, New Territories; and (iii) a residential premise located in Mid-levels in Hong Kong, valued at HK\$106.1 million, HK\$42.6 million and HK\$28.0 million respectively.

The Group's other non-current assets comprised (i) property, plant and equipment; (ii) right-of-use assets; (iii) intangible assets; and (iv) prepayments and deposits, all of which, apart from the Group's prepayments and deposits, have stayed relatively stable. The Group's non-current prepayments and deposits, which mainly related to prepayments to independent IT service providers for developing customised operating systems, decreased by 77.9% from HK\$10.7 million as at 31 March 2024 to HK\$2.4 million as at 31 March 2025. The Group recognised its (i) promoter commission calculation system; and (ii) smart vending machine as intangible assets after their completion and implementation during the year ended 31 March 2025, and this led to such decrease in prepayments and deposits as at 31 March 2025. The Group's current assets consisted of (i) inventories; and (ii) trade and other receivables, which both stayed relatively stable as at 31 March 2024 and 31 March 2025. The Group's cash and bank balances decreased from HK\$12.7 million as at 31 March 2024 to HK\$5.5 million as at 31 March 2025 as the Group had made repayment to a shareholder during FY2025. The main component of the Group's current liabilities was bank and other borrowings, which increased by 7.2% from HK\$111.0 million as at 31 March 2024 to HK\$119.0 million as at 31 March 2025. Such increase was largely attributable to drawdown of HK\$32.6 million new bank borrowings, net of repayments of HK\$24.6 million. We noted that, as disclosed in the 2024/2025 Annual Report, HK\$100.8 million of the HK\$119.0 million were borrowings due after one year, but as these borrowings contain a repayment on demand clause, they were recorded as current liabilities. The decrease in other current liabilities was largely attributable to the amounts due to a shareholder that was fully repaid during FY2025 as mentioned above. The Group's non-current liabilities, which remained relatively nominal and stable, consisted of (i) lease liabilities; and (ii) deferred tax liabilities.

The Group has not distributed dividends since 2015. As disclosed in the 2024/2025 Annual Report, the Board when determining its dividend policy will take into account several factors, including (i) the Group's financial results; (ii) interests of the shareholders; and (iii) general business conditions and strategies, and will attempt to balance its overall capital structure through the payment of dividends, new share issues and issue of new debt as it sees fit and appropriate.

In general, we observed that both the Group's financial performance and financial position had deteriorated due to adverse external circumstances, such as the lack of consumer spending for the health and beauty supplements and products business, while the value of its portfolio of investment properties continued to decline. We meanwhile noted that despite such adverse circumstances, the Group had managed to control its gross profit margins and stabilised its operating expenses. In terms of financial position, the main deterioration was the fair value losses of investment properties.

2. Industry development and outlook

As discussed in "1.1 Background of the Group", the Group is principally engaged in the health and beauty supplements and products business, as well as the property investment business in Hong Kong. As disclosed in the 2024/2025 Annual Report, the Management attributed the Group's decline in revenue to the sluggish local retail market, influenced by external uncertainties such as geopolitical tensions, and continuous slump of the stock and property market in Hong Kong. On the above basis, we have conducted independent research on the health and beauty supplements and products market, as well as the commercial, residential and industrial property market in Hong Kong.

Retail demand and consumer spending behaviours

We have reviewed the report titled "*Monthly Report — Visitor Arrival Statistics: Jul 2025*" (the "**HKTB Report**") issued by the Hong Kong Tourism Board, as well as the report titled "*Provisional Statistics of Retail Sales for July 2025*" (the "**Census Department Report**") issued by the Census and Statistics Department of Hong Kong.

The Hong Kong Tourism Board is a government-subsidised body responsible for marketing and promoting Hong Kong as a travel destination worldwide, including the publication of tourism-related news, press releases, and statistical data. The Census and Statistics Department is a government agency that regularly publishes general-purpose public statistics in Hong Kong based on survey data, including information on retail consumption and spending patterns.

As discussed by the Management in the 2024/2025 Annual Report, the Hong Kong Government introduced measures to revitalise the tourism industry, including the resumption of the Multiple-entry Individual Visit Scheme for Shenzhen permanent residents and the organisation of various mega events. These initiatives coincided with a notable increase in visitor arrivals as reported by the Hong Kong Tourism Board, with the total number of visitors rising by 11.6% from 25.1 million between January and July 2024 to 28.0 million during the same period in 2025. Visitors from Mainland China, a key consumer demographic for the Group, grew by 10.4% from 19.3 million to 21.3 million over the same timeframe.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In response to these developments, the Group conducted a series of strategic brand positioning aimed at strengthening brand visibility and expanding market such as sponsoring a Hong Kong TV drama, launching advertisements through various distribution channels, and establishing flagship stores on Mainland China e-commerce platforms such as Tmall and Douyin. The Group also launched an integrated customer relationship management mobile application in June 2024 to enhance customer engagement and enable more targeted marketing strategies.

Albeit these efforts and the recovery in visitor numbers, the Group's revenue from health and beauty supplements and products have decreased year-on-year, resulting in a loss being recorded in FY2025 compared to a profit in FY2024. The Management attributed this to a change of consumer behaviour, with visitors shifting expenditure from shopping to other experiences, coupled with the strength of the Hong Kong dollar against certain non-US pegged currencies, which may have dampened discretionary spending.

According to the Census Department Report, the value of retail sales of Chinese drugs and herbs declined by 0.5% year-on-year for January to July 2025 compared with the same period in 2024, indicating a contraction in demand for traditional health products despite the rise in visitor arrivals. Additionally, increasingly budget-conscious consumers and higher outbound travel during holidays restricts the profitability of retail offerings, as Hong Kong residents undertake increased cross-border shopping in destinations such as Mainland China. Therefore, while tourism recovery provided a supportive backdrop, the Company's business may be largely affected by economic conditions and structural shifts in the spending patterns of both local and visiting consumers. The Management has indicated that they will continue to place emphasis on innovation by introducing new brands dedicated to premium health and beauty supplements and develop distinct brand identities for the Group's sustainable growth.

Property market in Hong Kong

As discussed in "1.2 Financial information of the Group", the Group's investment properties recorded a second consecutive decrease in fair value. The industrial and commercial property market continues to face challenges and grapple with declining rents and rising vacancies due to limited new demand and weak market sentiment. In the residential sector, recovery has remained slow despite the removal of property cooling measures in February 2024, constrained by an unfavourable economic climate and persistently high interest rates. The Management anticipates the Hong Kong property market to remain challenging, particularly for commercial and retail premises, and has indicated that the Group will adopt a prudent approach to managing its property portfolio with a focus on enhancing occupancy rates and sustaining stable rental income.

We have reviewed two reports issued by CBRE Research titled “*2025 Hong Kong Real Estate Market Outlook*”; and “*Hong Kong Residential Market 2025 Outlook*” (collectively, the “**CBRE Reports**”). CBRE Research, a division of CBRE Group, Inc, is a leading global real estate services and investment firm with extensive research capabilities and a strong presence in institutional markets.

According to the CBRE Reports, landlords are forecasted to offer discounted rents to stimulate leasing demands in 2025. Furthermore, while anticipated interest rate cuts may ease household struggles and support local spending, the strong Hong Kong dollar is likely to sustain outbound spending and limit visitor spending. CBRE Research projects a rise in retail rents by up to 5% in 2025 to match increasing demand supported by emerging retail and food concepts made possible from affordable rental terms. For the residential property market, CBRE Research expects a mild recovery in rents by up to 5% in 2025 due to the previous removal of property curbs in 2024 and further government initiatives expected to result in 60,000 local units changing hands in 2025, a 10% increase year-on-year. Lower property taxes and Hong Kong’s easing borrowing rate may encourage end-users to shift from renting to buying. Conversely, Hong Kong’s industrial property sector may face further headwinds amidst intensifying trade tensions between Mainland China and the United States, dampening leasing momentum in the trade segment. A combination of cost-conscious warehouse occupiers, higher volume of lease expiries and weakened demand within the export and logistics industry prompted a decline in rental concession of 5% from 2024 to 2025.

Overall, CBRE Research appears to hold a cautious view on the outlook of Hong Kong’s commercial, residential and industrial property market in 2025 due to a combination of cautious spending from tourists, substantial vacancies for residential property due to migration of locals, and macroeconomic tensions. As such, we are of the view that the Group’s stated focus on prudent portfolio management and occupancy optimisation is consistent with prevailing market conditions.

Having considered the above independent research and recent financial performance of the Group as discussed in the section headed “1.2 Financial information of the Group”, the Offer may represent an opportunity for certain Independent Shareholders who wish to exit their investment in the Company which is currently (i) loss making; and (ii) operating under challenging business environment.

3. Background of the Offeror

3.1 The Offeror and its substantial/controlling shareholder

The Offeror is a company incorporated in the British Virgin Islands with limited liability. As at the Latest Practicable Date, Mr. Cheung is the sole shareholder and sole director of the Offeror. The Offeror is principally engaged in investment holding. Mr. Cheung is the chairman of the Board and an executive Director. For further details, please see “Information on the Offeror” in the “Letter from Prime Securities” and Appendix IV “General Information of the Offeror” of the Composite Document.

3.2 The Offeror's intention in relation to the Group

According to the "Letter from Prime Securities" of the Composite Document, following the completion of the Offer, the Offeror intends to continue the existing businesses of the Group.

The Offeror has no intention to (i) acquire new business for the Group; (ii) introduce any major changes to, dispose of or downsizing the existing business and operation of the Group; (iii) discontinue the employment of any employees of the Group or to make significant changes to any employment; (iv) dispose of or re-deploy the fixed assets of the Company other than those in its ordinary and usual course of business; or (v) to nominate or appoint new Directors to the Board. However, the Offeror will continuously review the business of the Group and the Offeror reserves the right to make such changes that it deems necessary or appropriate to the Group's business and operations to optimise the value of the Group. The Board has noted the intentions of the Offeror in respect of the Group and its employees and will render cooperation and support to the Offeror.

3.3 Listing status of the Company

The Offeror intends the Company to remain listed on the Stock Exchange. The sole director of the Offeror has undertaken to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Company's Shares. For further details, please see the "Letter from Prime Securities" of the Composite Document.

4. The Offer

4.1 Comparisons of value

The Offer Price of HK\$0.024 per Share represents:

- a) a discount of approximately 33.33% to the closing price of HK\$0.036 per Share as quoted on the Stock Exchange on 10 October 2025, being the Latest Practicable Date;
- b) a discount of approximately 22.58% to the closing price of HK\$0.031 per Share as quoted on the Stock Exchange on 11 September 2025, being the last Business Day before the Offer Period;
- c) a discount of approximately 20.00% to the closing price of HK\$0.030 per Share as quoted on the Stock Exchange on the date of the Joint Announcement;
- d) a discount of approximately 25.00% to the average closing price of HK\$0.032 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately prior to the date of the Joint Announcement;

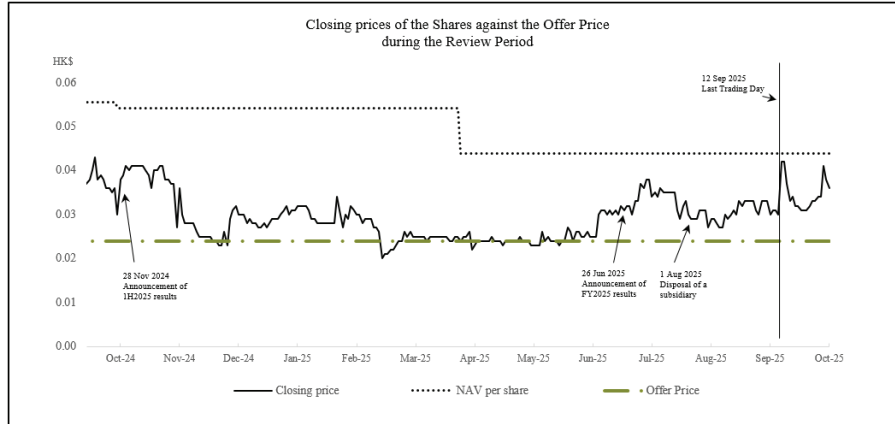
LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- e) a discount of approximately 22.58% to the average closing price of HK\$0.031 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the date of the Joint Announcement;
- f) a discount of approximately 25.00% to the average closing price of approximately HK\$0.032 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the date of the Joint Announcement;
- g) a discount of approximately 22.58% to the average closing price of approximately HK\$0.031 per Share as quoted on the Stock Exchange for the last thirty (30) consecutive trading days up to and including the date of the Joint Announcement;
- h) a discount of approximately 45.45% to the audited consolidated net asset value attributable to owners (“NAV”) of the Company of approximately HK\$0.044 per Share as at 31 March 2025 calculated based on the information as set out in the Company’s annual report for the year ended 31 March 2025; and
- i) a discount of approximately 54.72% to the adjusted NAV per Share of approximately HK\$0.053 per Share as at 31 March 2025 calculated based on the information as set out in “Appendix II — Financial information of the Group” of the Composite Document.

4.2 Historical price performance of the Shares

Set out below is a chart illustrating relative movement of the closing prices of Shares as quoted on the Stock Exchange during the period commencing from 12 September 2024, being 12 months before the date of the Joint Announcement and up to the date of the Joint Announcement (“**Pre-Announcement Period**”), and subsequently up to and including the Latest Practicable Date (the “**Post-Announcement Period**”) (collectively, the “**Review Period**”). We consider a period of approximately one year is adequate and representative to illustrate the recent price movements of the Shares which reflect (i) market and investors’ reaction towards the latest developments of the Group, including its financial performance and position, outlook and prospects; and (ii) prevailing market sentiment. We are of the view that this allows us to conduct a meaningful comparison between these closing prices of the Shares and the Offer Price.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER



Source: Stock Exchange

During the Review Period, the highest and lowest closing price of the Shares were HK\$0.043 per Share and HK\$0.020 per Share recorded on 17 September 2024 and 19 February 2025 respectively. The average daily closing price over the period was approximately HK\$0.030.

The Offer Price, being HK\$0.024 per Share, represents a discount of approximately 19.25% to the average closing price during the Review Period. When compared to the maximums of the trading range, the Offer Price reflects a discount of 44.19% to the highest closing price of HK\$0.043 and a premium of 20.00% to the lowest closing price of HK\$0.020.

We noted that although the Shares traded below the Offer Price during certain brief intervals, they closed above the Offer Price for 217 days out of 265 days of the Review Period.

Pre-announcement Period

As illustrated in the above chart, the Share price at the beginning of the Review Period (i.e. 12 September 2024) rose from HK\$0.036 to HK\$0.043 on 17 September 2024, the highest price recorded during the Review Period. Subsequently, the Share price experienced a sharp one-day decline from HK\$0.036 on 27 September 2024 to HK\$0.030 on 30 September 2024, before rising to a closing price of HK\$0.038 the day after. Thereafter, the Shares experienced another one-day decline from HK\$0.037 on 30 October 2024 to HK\$0.027 on 31 October 2024, before similarly rising to HK\$0.036 on 1 November 2024.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

After the Company announced its interim results in late November 2024 for the six months ended 30 June 2024, the Shares traded at relatively stable levels before declining to HK\$0.020 on 19 February 2025, the lowest price recorded during the Review Period. For the next four months, the Shares traded at levels around the Offer Price (i.e. HK\$0.024). Following the Company's announcement of its final results for the year ended 31 March 2025 in late June 2025, the Share price rose from HK\$0.033 on 4 July 2025 to a peak of HK\$0.038 on 9 July 2025. We noted that the Company's announcement of the disposal of a subsidiary thereafter on 14 July 2025 appeared not to have effect on Share price. On the date of the Joint Announcement, the Share price closed at HK\$0.030.

Post-announcement period

Following the publication of the Joint Announcement and up to and including the Latest Practicable Date, the Shares traded in the range of HK\$0.031 and HK\$0.042. We noted that the Shares surged briefly as markets resumed trading following the public holiday on 7 October 2025. As at the Latest Practicable Date, the Share price closed at HK\$0.036 per Share.

Save for the announcements of financial results as further discussed in the section headed "1.2 Financial information of the Group", we are not aware of any other public announcements or events published by the Company during the Review Period that may have had a material impact on the price movement of the Shares. We are also not aware of any reason which could have spurred a higher level of Share prices during the Post-Announcement Period other than the presence of the Offer. We have also discussed with the Management regarding historical trend of Share price, and the Management is not aware of any particular reasons for fluctuations of Share price during the Review Period.

Considering that the prices of the Shares closed above the Offer Price on most trading days during the Review Period, in particular throughout the Post-Announcement Period, we are of the view that the Offer Price is not attractive and is not fair and not reasonable from the perspective of the historical market trading price performance of the Shares.

Independent Shareholders should note that the information set out above is not an indication of the future performance of the Shares and that the price of the Shares may increase or decrease during the period between the Latest Practicable Date and the close of the Offer Period.

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4.3 Historical trading liquidity of the Shares

The table below sets out the average daily trading volume of the Shares on a monthly basis during the Review Period and the respective percentages of the average daily trading volume of the Shares as compared to the total number of issued Shares and total number of issued Shares held by the Independent Shareholders.

Month	Number of trading days	Average daily trading volume (number of Shares)	Approximate % of average daily trading volume to the total number of issued Shares ⁽¹⁾	Approximate % of average daily trading volume to the total number of issued Shares held by the Independent Shareholders ⁽¹⁾
Pre-Announcement Period				
2024				
September	12	1,945,667	0.06%	0.12%
October	21	1,131,810	0.04%	0.07%
November	21	2,806,095	0.09%	0.18%
December	20	603,400	0.02%	0.04%
2025				
January	19	3,405,895	0.11%	0.21%
February	20	8,303,854	0.27%	0.52%
March	21	3,808,952	0.12%	0.24%
April	19	2,480,421	0.08%	0.16%
May	20	2,440,200	0.08%	0.15%
June	21	1,645,714	0.05%	0.10%
July	22	1,528,727	0.05%	0.10%
August	21	1,479,048	0.05%	0.09%
September ⁽²⁾	10	1,461,200	0.05%	0.09%
Minimum		603,400	0.02%	0.04%
Maximum		8,303,854	0.27%	0.52%
Average		2,585,770	0.08%	0.16%
Post-Announcement Period				
September ⁽³⁾	12	27,360,000	0.88%	1.72%
October ⁽⁴⁾	6	35,124,667	1.13%	2.21%
Minimum		27,360,000	0.88%	1.72%
Maximum		35,124,667	1.13%	2.21%
Average		29,948,222	0.96%	1.88%
Review Period				
Minimum		603,400	0.02%	0.04%
Maximum		35,124,667	1.13%	2.21%
Average		4,444,351	0.14%	0.28%

Source: Stock Exchange

Notes:

- (1) Based on the total number of issued Shares at the respective month-end as disclosed on the Stock Exchange.

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- (2) Up to and including 12 September 2025, being the date of the Joint Announcement.
- (3) From 15 September 2025 up to and including 30 September 2025.
- (4) From 1 October 2025 up to and including 10 October 2025, being the Latest Practicable Date.

As illustrated in the table above, we noted that the trading liquidity of the Shares was fairly thin. During the Review Period, the percentage of average daily trading volume of the Shares to (i) the total number of issued Shares; and (ii) the total number of issued Shares held by the Independent Shareholders, ranged from approximately 0.02% to 1.13% and 0.04% to 2.21%, respectively, with an average of approximately 0.14% and 0.28%.

The average daily trading volume of the Shares during the Pre-Announcement Period was approximately 2,585,770 Shares, representing 0.08% of the total number of issued Shares and 0.16% of the total number of Shares held by the Independent Shareholders.

We observed that the trading volume for the Shares increased substantially following the publication of the Joint Announcement. Notably, after the publication of the Joint Announcement, the average daily trading volume of the Shares increased to 29,948,222 shares (representing 0.96% and 1.88% of the total number of issued Shares and the total number of Shares held by the Independent Shareholders, respectively) during the Post-Announcement Period. It can therefore be concluded that the presence of the Offer has spurred significant trading activities in the Shares which otherwise had been generally illiquid during the Pre-Announcement Period.

In the absence of the Offer, Independent Shareholders would only be able to dispose of their Shares on-market to realise their investment in the Company. Given that the average trading volume during the Pre-Announcement Period had been generally thin as discussed above, we are of the view that any sale of a large number of Shares on the market over a short period of time may be difficult without exerting downward pressure on the market price of Shares. Furthermore, the increased turnover in the Post-Announcement Period was likely primarily underpinned by the presence of the Offer and may not persist after the Offer Period. Consequently, subject to the Offer becoming unconditional, the Offer may provide an opportunity for Independent Shareholders to dispose of their Shares at a fixed price.

4.4 Adjusted NAV per Share

Reference is made to the valuation of the properties of the Group as at 31 July 2025 conducted by Ravia Global Appraisal Advisory Limited with respect to the Group's properties in Hong Kong.

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Based on the paragraph headed “Adjusted Net Asset Value” set out in “Appendix II — Financial Information of the Group” contained in the Composite Document, set out below is the calculation of the Adjusted NAV per Share taking into account the effect of the net revaluation surplus attributable to the Shareholders arising from the valuation of the properties of the Group as set out in the Valuation Report.

	HK\$
Audited net asset value of the Group as at 31 March 2025	136,624,000
Adjustments:	
Add: Appraised market value of the properties of the Group attributable to the Shareholders as at 31 July 2025	213,800,000
Less: The audited carrying amount of the properties of the Group attributable to the Shareholders as at 31 March 2025	183,874,000
Net revaluation surplus attributable to the Shareholders	29,926,000
Less: The difference between the consideration under the Provisional Agreement (as defined below) and the appraised value of Property 1 in the Valuation Report ⁽²⁾	<u>(1,900,000)</u>
Adjusted NAV	<u>164,650,000</u>
Adjusted NAV per Share as at 31 March 2025 and the Latest Practicable Date⁽¹⁾	<u>0.053</u>

Note:

- (1) Calculated based on 3,107,893,440 Shares in issue as at 31 March 2025 and the Latest Practicable Date.
- (2) The Group entered into a provisional agreement (the “**Provisional Agreement**”) on 14 July 2025 in relation to the intended disposal of Giant Bloom Holdings Limited, an indirect wholly-owned subsidiary of the Group which holds Property 1 in the Valuation Report at an agreed sale consideration of HK\$28 million and the appraised value of Property 1 is HK\$29.9 million as at 31 July 2025 in the Valuation Report.

4.5 Comparable analysis

In assessing the fairness and reasonableness of the Offer Price, we initially considered a comparative analysis using the price-to-earnings ratio (the “**P/E Ratio(s)**”), the price-to-sales ratio (the “**P/S Ratio(s)**”) and the price-to-book ratio (the “**P/B Ratio(s)**”), which are widely recognised valuation metrics for this purpose. However, as discussed in the section headed “1.2 Financial information of the Group”, the Company reported a loss for the latest financial year under both (i) the audited statement of profit or loss; and (ii) the unaudited, Adjusted Net (Loss)/Profit. Accordingly, we determined that the P/E Ratio not appropriate and have conducted our analysis on the P/S Ratio and the P/B Ratio.

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Given (i) the availability and relevance of the P/S Ratio and P/B Ratio; (ii) the Company's principal business activities in the sale, marketing and distribution of health and beauty supplements and products; and (iii) the substantial portion of the Company's total assets represented by property interests held for investment as discussed above in the section headed "1. Background and financial information of the Group", we consider the application of the P/S Ratio and P/B Ratio to constitute an appropriate basis for assessing the fairness and reasonableness of the Offer Price.

We have set out the following criteria for the purpose of identifying the companies for this analysis (the "Comparables"):

- (i) a company whose shares are listed on the Main Board of the Stock Exchange;
- (ii) a company whose principal businesses include the sale and distribution of health and beauty supplements and related products in Hong Kong with more than 50% of revenue derived therefrom; and
- (iii) a company whose latest financial year revenue was up to HK\$1 billion, as we are of the view that companies with this range of revenue (compared to the Company's revenue of HK\$205 million in FY2025) can adequately reflect business and operating scales of small and medium enterprises similar to the Company. Companies which are significantly larger may have different capital structure, business model and cost structure.

Based on the above criteria, we identified an exhaustive list of five companies, the details of which are set out in the table below. We note that no company possesses an identical business model, scale of operation, trading prospects, target markets, product mix or capital structure as the Company. Nevertheless, we are of the view that the Comparables are appropriate reflections of prevailing market sentiment for companies engaged in the health and beauty supplements and products business and listed on the Main Board of the Stock Exchange.

Company name	Stock code	Description of principal businesses	% of revenue from health and/or beauty supplements and products ⁽²⁾	Revenue ⁽³⁾ <i>(HK\$ million)</i>	NAV ⁽³⁾ <i>(HK\$ million)</i>	Market capitalisation ⁽⁴⁾ <i>(HK\$ million)</i>	P/S Ratio ⁽⁵⁾	P/B Ratio ⁽⁶⁾
Tycoon Group Holdings Limited	3390	Engaged in the distribution and retail of proprietary Chinese medicine, health supplements, skincare, personal care, and other healthcare products through physical and online channels	Not disclosed	876.0	478.9	284.9	0.33	0.59

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Company name	Stock code	Description of principal businesses	% of revenue from health and/or beauty supplements and products ⁽²⁾	Revenue ⁽³⁾	NAV ⁽³⁾	Market capitalisation ⁽⁴⁾	P/S Ratio ⁽⁵⁾	P/B Ratio ⁽⁶⁾
				(HK\$ million)	(HK\$ million)	(HK\$ million)		
JBM (Healthcare) Limited	2161	Engaged in the development, manufacture, and distribution of branded medicines, proprietary Chinese medicines, and health and wellness products including supplements and medical consumables	100%	782.3	1,082.0	2,461.6	3.15	2.28
Ausupreme International Holdings Limited	2031	Engaged in the retail and wholesale of health supplements, personal care products, and natural products such as honey and pollen, with operations across Hong Kong, Mainland China, Singapore, and Macau	95.4%	269.6	191.2	268.6	1.00	1.40
Herbs Generation Group Holdings Limited	2593	Engaged in the development and sale of health supplements, cosmetics, skincare, and pet health products under proprietary brands	Not disclosed	245.5	187.2	172.0	0.70	0.92
China Healthwise Holdings Limited	348	Engaged in the sales of Chinese and other pharmaceutical products and health supplements to wholesalers and retailers, alongside money lending and financial investment activities in Hong Kong	99.4%	113.6	(18.4)	118.0	1.04	N/A
						Minimum	0.33	0.59
						Maximum	3.15	2.28
						Median	1.00	1.16
						Mean	1.24	1.30
Company	932	Engaged in the development, manufacture, and distribution of health and beauty supplements and property investment in Hong Kong	97.5%	205.0⁽⁸⁾	136.6	74.6⁽⁷⁾	0.36⁽⁸⁾	0.55⁽⁹⁾

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

Notes:

- (1) Where applicable, the exchange rate of RMB1:HK\$1.0914 was used as reported on the most recent bulletin data as published by the Hong Kong Monetary Authority as at the Latest Practicable Date.

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- (2) Percentage of revenue from health and/or beauty supplements and products of the Comparables are extracted from the respective latest published annual report prior to the Latest Practicable Date. Tycoon Group Holdings Limited and Herbs Generation Group Holdings Limited did not state that they were engaged in any other business, and no breakdowns of percentage revenue from other business were reported in their respective latest published annual reports. On this basis, we infer that more than 50% of their revenue were from health and/or beauty supplements and related products, satisfying the selection criteria as Comparables.
- (3) Revenue and NAV of the Comparables are extracted from the respective latest published annual report prior to the Latest Practicable Date.
- (4) Market capitalisation of the Comparables is calculated based on the average 30-day share closing price times the total number of shares in issue as at the Latest Practicable Date.
- (5) P/S Ratio of the Comparables is calculated based on the respective market capitalisation divided by the respective revenue of the Comparables as described in notes 4 and 3 above, respectively.
- (6) P/B Ratio of the Comparables is calculated based on the respective market capitalisation divided by the respective NAV of the Comparables as described in notes 4 and 3 above, respectively.
- (7) Implied market capitalisation of the Company is calculated based on the Offer Price multiplied by 3,107,893,440 Shares in issue as at the Latest Practicable Date.
- (8) Implied P/S Ratio of the Company is calculated based on the implied market capitalisation as described in note 7 above divided by the revenue of the Group as extracted from the 2024/2025 Annual Report.
- (9) Implied P/B Ratio of the Company is calculated based on the implied market capitalisation as described in note 7 above divided by the NAV of the Company as extracted from the 2024/2025 Annual Report.

As illustrated in the table above, the P/S Ratios of the Comparables range from approximately 0.33 times to 3.15 times, with the mean and median being approximately 1.24 times and 1.00 times, respectively. The implied P/S Ratio (the “**Implied P/S Ratio**”) of the Company based on the Offer Price and its revenue was approximately 0.36 times. Notwithstanding that the Implied P/S Ratio falls within the range of the Comparables, it is only slightly above the minimum and is significantly below the mean and median of the Comparables.

The P/B Ratios of the Comparables range from approximately 0.59 times to 2.28 times, with the mean and median being approximately 1.30 times and 1.16 times, respectively. The implied P/B Ratio (the “**Implied P/B Ratio**”) of the Company based on the Offer Price and NAV was approximately 0.55 times, falling below the minimum, and therefore outside the range of the Comparables. This Implied P/B Ratio remains the same when calculated using the Adjusted NAV.

Having considered that the Implied P/S Ratio and Implied P/B Ratio of the Company are substantially below both the mean and median of the Comparables or fall outside of the range of selected industry peers, we believe the valuation of the

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Company as implied by the Offer Price is not attractive and we are of the view that, from the perspective of a comparable analysis, it is not fair and not reasonable so far as the Company and the Independent Shareholders are concerned.

RECOMMENDATIONS

In summary, we have considered the below factors and reasons in arriving at our conclusion and recommendation in relation to the Offer:

- (i) as set out in the section headed “1. Background and financial information of the Group”, while we note that the Group managed to control its gross profit margins and stabilise operating expenses, its overall financial performance and position had deteriorated due to adverse external circumstances, recording an overall loss for the year and consecutive years of fair value losses on its property investment portfolio;
- (ii) as set out in the section headed “2. Industry development and outlook”, the increase in budget-conscious visitors and local preference for cross-border consumption have contributed to subdued consumer spending and a contraction in demand for Chinese drugs and herbs. Meanwhile, research houses maintain a cautious outlook on the property market in 2025, particularly the continued weakness of Hong Kong’s commercial and industrial property rental markets, which may further weigh on the capital value of the Group’s investment properties;
- (iii) as set out in the section headed “4.1 Comparisons of value” and “4.2 Historical price performance of the Shares”, the Offer Price represents substantial discounts to the closing prices per Share over various trading periods and a substantial discount of approximately 19.25% to the average closing price of the Shares during the Review Period;
- (iv) as further set out in the section headed “4.1 Comparisons of value”, from an underlying asset value comparison perspective, the Offer Price represents a significant discount of approximately 45.45% to the audited consolidated net asset value attributable to owners of the Company as at 31 March 2025;
- (v) as set out in the section headed “4.3 Historical trading liquidity of the Shares”, the average daily trading volume during the Pre-Announcement Period ranged only from 0.02% to 0.27% of the total number of issued Shares and from 0.04% to 0.52% of the total number of issued Shares held by the Independent Shareholders, reflecting persistently low liquidity that may impede large-scale disposals without further depressing the market price. Consequently, the Offer may provide an opportunity for Independent Shareholders to dispose of their Shares at a fixed price regardless of the number of Shares they hold and at activity levels underpinned by the Offer that may not persist after the close of the Offer Period; and

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- (vi) as set out in the section headed “4.5 Comparable analysis”, the Implied P/S Ratio and Implied P/B Ratio based on the Offer Price are significantly below the mean and median or fall outside of the range of selected industry peers.

As set out in sections 4.1, 4.2, and 4.5 above, the Offer Price represents substantial discounts to recent market trading levels, the consolidated net asset value of the Company, and valuations of the Comparables. As such, while the Group’s recent financial performance has not been satisfactory and its outlook uncertain, on the balance, we are of the view that the Offer Price is not attractive and is not fair and not reasonable so far as the Independent Shareholders are concerned, and accordingly recommend the Independent Board Committee to advise the Independent Shareholders not to accept the Offer.

We noted that, for certain Independent Shareholders, they may consider exiting their investments in the Company in view of the Group’s deteriorating financial performance and the uncertain outlook for both its health and beauty supplements and products business and property investment portfolio. Given that the prevailing market price of the Shares as at the Latest Practicable Date is higher than the Offer Price, such Independent Shareholders should attempt to sell their Shares in the open market if they can obtain a higher price than the Offer price and if the trading liquidity of the Shares allow them to do so. Failing which, they can consider accepting the Offer which provides an opportunity for them to dispose of their Shares at a fixed price (if the Offer becomes unconditional).

As different Independent Shareholders would have different investment criteria, objectives or risk appetite and profiles, we recommend those who may require advice in relation to any aspect of the Composite Document, or as to the action to be taken, to consult a licensed securities dealer, bank manager, solicitor, professional accountant, tax adviser or other professional adviser.

Yours faithfully,
For and on behalf of
Altus Capital Limited
Chang Sean Pey
Responsible Officer

Mr. Chang Sean Pey (“Mr. Chang”) is a Responsible Officer of Altus Capital Limited licensed to carry on Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO and permitted to undertake work as a sponsor. He is also a Responsible Officer of Altus Investments Limited licensed to carry on Type 1 (dealing in securities) regulated activity under the SFO. Mr. Chang has over 25 years of experience in banking, corporate finance advisory and investment management. In particular, he has participated in sponsorship work for initial public offerings and acted as financial adviser or independent financial adviser in various corporate finance advisory transactions

1. PROCEDURES FOR ACCEPTANCE

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

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

- (iii) if your Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees Limited to accept the Offer on your behalf on or before the deadline set by HKSCC Nominees Limited (which is normally one Business Day before the latest date on which acceptances of the Offer must be received by the Registrar). 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 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 (which is normally one Business Day before the latest date on which acceptances of the Offer must be received by the Registrar). 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.
- (c) If the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Share(s) is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the Offer in respect of your Share(s), the Form of Acceptance should nevertheless be completed, signed and delivered to the Registrar together with a letter stating that you have lost one or more of your share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares or that it/they is/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) in respect of your Shares should be forwarded to the Registrar as soon as possible thereafter. If you have lost your share certificate(s), you should also write to the Registrar for a letter of indemnity which, when completed and signed in accordance with the instructions given, should be returned to the Registrar. The Offeror shall have the absolute discretion to decide whether any Share(s) in respect of which the share certificate(s) and/or transfer receipt(s) and/or any other document(s) or evidence of title is/are not readily available and/or is/are lost will be taken up by the Offeror.

- (d) If you have lodged transfer(s) of any of your Share(s) for registration in your name and have not yet received your share certificate(s), and you wish to accept the Offer in respect of your Share(s), you should nevertheless complete and sign the Form of Acceptance and deliver it to the Registrar together with the transfer receipt(s) duly signed by yourself. Such action will be deemed to be an irrevocable authority to Prime Securities and/or the Offeror and/or their respective agent(s) to collect from the Company or the Registrar on your behalf the relevant share certificate(s) when issued and to deliver such certificate(s) to the Registrar on your behalf and to authorise and instruct the Registrar to hold such share certificate(s), subject to the terms and conditions of the Offer, as if it was/they were delivered to the Registrar together with the Form of Acceptance.
- (e) Acceptance of the Offer will be treated as valid only if the completed and signed Form of Acceptance is received by the Registrar, no later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and announce, with the consent of the Executive, in accordance with the Takeovers Code and the Registrar has recorded that the acceptance and the relevant document(s) as required under this paragraph 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 the share certificate(s) and/or transfer receipt(s) is/are not in your name, such other document(s) (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 Share(s); or
 - (ii) from a registered Shareholder or his/her personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to Share(s) which are not taken into account under another sub-paragraph of this paragraph (e)); or
 - (iii) certified by the Registrar or the Stock Exchange.
- (f) If the Form of Acceptance is executed by a person other than the registered Shareholder, appropriate documentary evidence of authority to the satisfaction of the Registrar must be produced.

- (g) In Hong Kong, the seller's ad valorem stamp duty payable by the relevant Independent Shareholders in connection with the acceptance of the Offer at the rate of 0.1% 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 Offer, whichever is higher, will be deducted from the cash amount payable by the Offeror to such Independent Shareholders on acceptance of the Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Independent Shareholders accepting the Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptances of the Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).
- (h) No acknowledgement of receipt of any Form of Acceptance, share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Share(s) will be given.

2. SETTLEMENT OF THE OFFER

Subject to the Offer becoming or being declared unconditional in all respects and provided that the accompanying Form of Acceptance, together with 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 relevant Offer Shares are valid, complete and have been received by the Registrar no later than 4:00 p.m. on the First Closing Date or the Final Closing Date (as the case may be), a cheque for the amount due to each of the accepting Independent Shareholder in respect of the Offer Shares tendered by him/her/it under the Offer (less seller's ad valorem stamp duty payable by him/her/it) will be despatched to such Independent Shareholder by ordinary post at his/her/its own risk as soon as possible but in any event no later than seven (7) Business Days after (i) the date of receipt of all relevant documents to render such acceptance complete and valid by the Registrar in accordance with the Takeovers Code or (ii) the date on which the Offer becomes or is declared unconditional in all respects, whichever is later.

Settlement of the consideration to which any accepting Independent Shareholder is entitled under the Offer will be paid by the Offeror in full in accordance with the terms of the Offer (save in respect of the payment of seller's ad valorem stamp duty) set out in this Composite Document (including this Appendix) and the accompanying Form of Acceptance, 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 Independent Shareholder.

Cheque(s) not presented for payment within six (6) months from the date of issue of the relevant cheques will not be honoured and be of no further effect, and in such circumstances cheque holders should contact the Offeror for payment.

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

3. ACCEPTANCE PERIOD AND REVISIONS

- (a) The Offer is conditional upon the Offeror having received acceptances in respect of the Shares which, together with the Shares acquired or agreed to be acquired before or during the Offer, will result in the Offeror and parties acting in concert with it holding more than 50% of the voting rights of the Company. Unless the Offer has previously been extended or revised with the consent of the Executive in accordance with the Takeovers Code, the latest time and date for acceptance will be 4:00 p.m. on the First Closing Date, or if the Offer is extended, any subsequent closing date of the Offer will be announced by the Offeror, or in the event that the Offer becomes or is declared unconditional as to acceptances, a statement may be made that the Offer will remain open until further notice. In the latter case, at least 14 days' notice in writing must be given to those Independent Shareholders who have not accepted the Offer and an announcement will be published.
- (b) Where the Offer becomes or is declared unconditional (whether as to acceptances or in all respects), it should remain open for acceptance for not less than 14 days thereafter. When the Offer becomes or is declared unconditional in all respects, at least 14 days' notice in writing must be given before the Offer is closed to those Independent Shareholders who have not accepted the Offer and an announcement will be published.
- (c) In the event that the Offeror decides to extend the Offer, at least fourteen (14) days' notice by way of announcement will be given, before the latest time and date for acceptance of the Offer, to those Independent Shareholders who have not accepted the Offer.
- (d) If the Offeror revises the terms of the Offer, all Independent Shareholders, whether or not they have already accepted the Offer will be entitled to accept the revised Offer under the revised terms. The revised Offer must be kept open for at least fourteen (14) days following the date on which the revised offer document is posted.
- (e) If the Closing Date of the Offer is extended, any reference in this Composite Document and in the Form of Acceptance to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the subsequent closing date.
- (f) Unless the Offer has previously been revised or extended, with the consent of the Executive, in accordance with the Takeovers Code, the Form of Acceptance must be received by the Registrar by 4:00 p.m. on the Closing Date in accordance with the instructions printed on the relevant Form of Acceptance, and the Offer will be closed on the Closing Date.
- (g) The Offeror and the Company will jointly issue an announcement in accordance with the Takeovers Code through the websites of the Stock Exchange and the Company by no later than 7:00 p.m. on the Closing Date stating whether the Offer has been extended, revised or has expired.

4. ANNOUNCEMENT

- (a) As required under Rule 19 of the Takeovers Code, 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 its decision in relation to the revision, extension or expiry of the Offer. The Offeror must publish an announcement in accordance with the requirements of the Takeovers Code by 7:00 p.m. on the Closing Date stating the results of the Offer and whether the Offer has been extended, revised or has expired or has become or been declared unconditional.

Such announcement must state the total number of Shares and rights over Shares:

- (i) for which acceptances of the Offer have been received;
- (ii) held, controlled or directed by the Offeror or any parties acting in concert with it before the Offer Period; and
- (iii) acquired or agreed to be acquired by the Offeror or any parties acting in concert with it during the Offer Period.

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

- (b) In computing the total number of Shares represented by acceptances, only valid acceptances that are complete and which have been received by the Registrar no later than 4:00 p.m. on the Closing Date, being the latest time and date for acceptance of the Offer, unless the Offeror revises or extends the Offer in accordance with the Takeovers Code, shall be included.
- (c) As required by the Takeovers Code and the Listing Rules, all announcements in relation to the Offer which the Executive and the Stock Exchange have confirmed that they have no further comments thereon must be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.shunten.com.hk).

5. NOMINEE REGISTRATION

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

6. RIGHT OF WITHDRAWAL

- (a) The Offer is conditional upon fulfillment of the Condition set out in the “Letter from Prime Securities” in this Composite Document.
- (b) Acceptance of the Offer tendered by the Independent Shareholders or by their respective agent(s) shall be irrevocable and cannot be withdrawn, except in the circumstances set out in sub-paragraph (c) below or in compliance with Rule 17 of the Takeovers Code, which provides that an acceptor of the Offer shall be entitled to withdraw his/her acceptance after 21 days from the First Closing Date (being Tuesday, 4 November 2025) if the Offer has not by then become unconditional as to acceptances. An acceptor of the Offer may withdraw his/her acceptance by lodging a notice in writing signed by the acceptor (or his/her agent duly appointed in writing and evidence of whose appointment is produced together with the notice) to the Registrar or the Company (as the case may be).
- (c) If the Offeror is unable to comply with the requirements set out in the paragraph headed “4. ANNOUNCEMENT” in this Appendix, the Executive may require pursuant to Rule 19.2 of the Takeovers Code that the Independent Shareholders who have tendered acceptances of the Offer, be granted a right of withdrawal on terms that are acceptable to the Executive until the requirements of Rule 19 of the Takeovers Code are met.

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

7. EFFECT OF ACCEPTANCE OF THE OFFER

By validly accepting the Offer, the Independent Shareholders will sell their tendered Shares to the Offeror free from all Encumbrances and together with all rights attaching to them, including the rights to receive any dividends and other distributions, declared, made or paid on or after the date on which the Offer is made, that is, the date of the posting of this Composite Document. Acceptance of the Offer by any Independent Shareholder will be deemed to constitute a representation and warranty by such person that all Shares sold by such person under the Offer are free from all Encumbrances and together with all rights attaching to them, including the rights to receive any dividends and other distributions, declared, made or paid on or after the date on which the Offer is made, being the date of the despatch of this Composite Document.

Acceptance of the Offer would be irrevocable and would not be capable of being withdrawn, except as permitted under the Takeovers Code, details of which are set out in paragraph headed “6. RIGHT OF WITHDRAWAL” in this Appendix.

8. OVERSEAS SHAREHOLDERS

The availability of the Offer to any Overseas Shareholders may be affected by the applicable laws and regulations of their relevant jurisdictions of residence. Overseas Shareholders should fully observe any applicable legal and regulatory requirements and, where necessary, consult their own professional advisers. It is the responsibilities of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Overseas Shareholders in respect of such jurisdictions). As at the Latest Practicable Date, based on the record in the register of members of the Company, save as the Offeror, there is no Overseas Shareholder.

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

9. TAXATION ADVICE

The receipt of cash pursuant to the Offer may be a taxable transaction in the jurisdiction in which the Independent Shareholders are located or registered under applicable tax laws. It is emphasised that none of the Offeror and its parties acting in concert with it, the Company, BaoQiao Partners, Prime Securities, the Independent Financial Adviser and the Registrar, or any of their respective directors, officers, agents or associates or any other person involved in the Offer accepts responsibility or has any liability for any taxation effects on, or liabilities of, any persons as a result of their

acceptance or rejection of the Offer. All Independent Shareholders and/or beneficial owners of the Shares shall be solely responsible for their liabilities (including tax liabilities) in relation to the Offer.

Independent Shareholders are recommended to consult their own professional advisers as to the taxation implications of accepting or rejecting the Offer.

This Composite Document does not include any information in respect of overseas taxation. Independent Shareholders who may be subject to overseas tax are recommended to consult their tax advisers regarding the implications in the relevant jurisdictions of owning and disposing of Shares

10. GENERAL

- (a) All communications, notices, Form of Acceptance, share certificates, transfer receipts, other documents of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to settle the consideration payable under the Offer to be delivered by or sent to or from the Independent Shareholders 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 parties acting in concert with it, BaoQiao Partners, Prime Securities, the Company, the Independent Financial Adviser, the Registrar and their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offer accepts any liability for any loss or delay in postage or any other liabilities whatsoever which may arise as a result thereof.
- (b) Acceptance of the Offer by any Independent Shareholder will constitute a warranty by such person to the Offeror and Prime Securities that all Offer Shares to be sold by such person under the Offer are fully paid and free from all Encumbrances and together with all rights attached to them, including the rights to receive in full all dividends and other distributions, declared, made or paid on or after the date on which the Offer is made, being the date of the despatch of this Composite Document.
- (c) Acceptance of the Offer by any nominee will be deemed to constitute a warranty by such nominee to the Offeror and Prime Securities that the number of Offer Shares in respect of which it has indicated in the Form of Acceptance is the aggregate number of Shares held by such nominee for such beneficial owners who accept the Offer.
- (d) All acceptances, instructions, authorities and undertakings given by the Independent Shareholders in the Form of Acceptance shall be irrevocable, except as permitted under the Takeovers Code.
- (e) The provisions set out in the accompanying Form of Acceptance form part of the terms of the Offer.

- (f) The accidental omission to despatch this Composite Document and/or the accompanying Form of Acceptance or either of them to any person to whom the Offer is made shall not invalidate the Offer in any way.
- (g) The Offer is, and all acceptances will be, governed by and construed in accordance with the laws of Hong Kong.
- (h) Due execution of the Form of Acceptance will constitute an irrevocable authority to the Offeror and/or Prime Securities and/or such person or persons as any of them may direct to complete, amend and execute any document on behalf of the person accepting the Offer, and to do any other act that may be necessary or expedient for the purpose of vesting in the Offeror, or such person or persons as it may direct, the Offer Shares in respect of which such person has accepted the Offer.
- (i) The Offer is made in accordance with the Takeovers Code.
- (j) Subject to the Takeovers Code, the Offeror reserves the right to notify any matter (including the making of the Offer) to all or any Independent Shareholders and with registered address(es) outside Hong Kong or whom the Offeror or BaoQiao Partners or Prime Securities knows to be nominees, trustees or custodians for such persons by announcement in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any such Independent Shareholders to receive or see such notice, and all references in this Composite Document to notice in writing shall be construed accordingly.
- (k) In making their decision, the Independent Shareholders must rely on their own examination of the Offeror, the Group and the terms of the Offer, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained herein together with the accompanying Form of Acceptance shall not be construed as any legal or business advice on the part of the Offeror and parties acting in concert with it, BaoQiao Partners, Prime Securities, the Company, the Independent Financial Adviser or their respective professional advisers. The Independent Shareholders should consult their own professional advisers for professional advice.
- (l) This Composite Document has been prepared for the purposes of compliance with the legislative and regulatory requirements applicable in respect of the Offer in Hong Kong and the operating rules of the Stock Exchange.
- (m) References to the Offer in this Composite Document and the Form of Acceptance shall include any extension and/or revision thereof.
- (n) In the event of any inconsistency, the English text of this Composite Document and the accompanying Form of Acceptance shall prevail over their Chinese text.

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

The following is a summary of the audited financial information of the Group for each of the three years ended 31 March 2023, 2024 and 2025 respectively, as extracted from the published annual reports of the Company for the relevant years.

	For the years ended 31 March		
	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000
Continuing operations:			
Revenue	205,048	235,586	216,127
Cost of sales	<u>(47,095)</u>	<u>(51,374)</u>	<u>(49,817)</u>
Gross profit	157,953	184,212	166,310
Other income, gains or losses	941	1,643	3,936
Selling and distribution expenses	(53,131)	(54,499)	(47,447)
Administrative expenses	(102,002)	(103,802)	(85,256)
Share of profit of an associate	—	—	6
Reversal of/(impairment loss) under expected credit loss model on trade and other receivables	202	(203)	(715)
Fair value change of investment properties	(30,400)	(15,000)	11,900
Finance costs	<u>(6,931)</u>	<u>(7,777)</u>	<u>(4,968)</u>
Profit/(loss) before income tax	(33,368)	4,574	43,766
Income tax expense	<u>(2,875)</u>	<u>(4,056)</u>	<u>(2,590)</u>
Profit/(loss) for the year from continuing operations	<u>(36,243)</u>	<u>518</u>	<u>41,176</u>
Discontinued operations:			
Loss for the year from discontinued operations	<u>—</u>	<u>—</u>	<u>(423)</u>
Profit/(loss) for the year	<u>(36,243)</u>	<u>518</u>	<u>40,753</u>
Other comprehensive income/(expenses), Item that will not be reclassified subsequently to profit or loss:			
Change in fair value upon transfer from property, plant and equipment to investment properties	—	27,770	—
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of foreign operations	<u>(20)</u>	<u>(141)</u>	<u>(210)</u>
Other comprehensive income/(expense) for the year	<u>(20)</u>	<u>27,629</u>	<u>(210)</u>

	For the years ended 31 March		
	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000
Total comprehensive income/(expense) for the year	<u>(36,263)</u>	<u>28,147</u>	<u>40,543</u>
Profit/(loss) for the year attributable to:			
Owners of the Company	(36,243)	571	41,036
Non-controlling interests	<u>—</u>	<u>(53)</u>	<u>(283)</u>
	<u>(36,243)</u>	<u>518</u>	<u>40,753</u>
Total comprehensive income/(expense) attributable to:			
Owners of the Company	(36,263)	28,144	40,758
Non-controlling interests	<u>—</u>	<u>3</u>	<u>(215)</u>
	<u>(36,263)</u>	<u>28,147</u>	<u>40,543</u>
Profit/(loss) per Share attributable to owners of the Company	<i>(HK cents)</i>	<i>(HK cents)</i>	<i>(HK cents)</i>
From continuing and discontinued operations			
Basic and diluted	(1.17)	0.02	1.32
From continuing operations			
Basic and diluted	<u>(1.17)</u>	<u>0.02</u>	<u>1.33</u>

Save as disclosed above, there was no item of any income or expense which was material in respect of the audited consolidated financial information of the Group for each of the three years ended 31 March 2023, 2024 and 2025.

There was no payment of dividends for each of the three years ended 31 March 2023, 2024 and 2025. Hence, dividends per Share for each of the three years ended 31 March 2023, 2024 and 2025 was inapplicable.

The auditor of the Company for the three years ended 31 March 2023, 2024 and 2025 was Moore CPA Limited, who did not issue any qualified or modified opinion (including emphasis of matter, adverse opinion and disclaimer of opinion) on the consolidated financial statements of the Group for each of the three years ended 31 March 2023, 2024 and 2025.

There was no change in accounting policy applicable to the three years ended 31 March 2023, 2024 and 2025 which rendered the financial figures not comparable to a material extent.

The Group's revenue is derived from two business segments, namely (i) the health and beauty supplements and products business, which involves development, manufacturing and sales of health and beauty supplements and products; and (ii) the property investment business in respect of leasing of investment properties.

The Group's health and beauty supplements and products are sold under the proprietary brands developed and managed by the Group ("**Proprietary Brands**") and a private label brand specifically developed for and owned by a renowned retail chain of health and beauty products in Hong Kong and Macau ("**Private Label Brand**"). The major Proprietary Brands include "Royal Medic", "Legend", "MeltyEnz", "CleansingEnz", "La Gusto", "Prof Health", "HARUKA" and "Mr. 75", and the Private Label Brand is "Health Proof". The Group mainly sells and distributes its products through a renowned local retail chain distributor, the Group's special designated counters, the Hong Kong Brands and Products Expo, the Group's own e-commerce online platform and designated cross-border e-commerce platforms in Mainland China. For the three years ended 31 March 2023 ("**FY2023**"), 31 March 2024 ("**FY2024**") and 31 March 2025 ("**FY2025**"), the health and beauty supplements and products business accounted for over 97% of the Group's total revenue.

The Group holds various commercial and residential properties in Hong Kong for investment holding and leasing purposes.

FY2025 vs FY2024

Revenue from the health and beauty supplements and products business declined by approximately 13.3% from approximately HK\$230.6 million for FY2024 to approximately HK\$199.9 million for FY2025, which was driven by the weak local retail market conditions and consumer sentiment in Hong Kong and Macau as well as the reduction of spending power and the change in consumption pattern of visitors.

Revenue from the property investment business for FY2025 and FY2024 were approximately HK\$5.1 million and approximately HK\$5.0 million, respectively.

Overall, the Group's revenue declined by approximately 13.0% to approximately HK\$205.0 million in FY2025. For FY2025, the Group generated a loss attributable to owners of the Company of approximately HK\$36.2 million as compared to profit of approximately HK\$0.5 million for FY2024, mainly due to reduced revenue from the health and beauty supplements and products business and an unrealised fair value loss on investment properties of approximately HK\$30.4 million in FY2025, up from approximately HK\$15.0 million in FY2024, reflecting continued weakness in Hong Kong's property market.

FY2024 vs FY2023

The Group's revenue recorded an increase by approximately 9.0% or approximately HK\$19.5 million to approximately HK\$235.6 million for FY2024 as compared to approximately HK\$216.1 million for FY2023.

Revenue from the Group's health and beauty supplements and products business rose by approximately 6.8%, from approximately HK\$215.9 million in FY2023 to approximately HK\$230.6 million in FY2024. The increase was driven by the recovery of Hong Kong's tourism industry following the easing of travel restrictions from February 2023, new consumption voucher schemes launched in April and July 2023, the reopening of special designated counters at key immigration control points, and intensified advertising efforts to boost brand awareness and product promotion.

Revenue from the property investment business surged 24-fold from approximately HK\$0.2 million in FY2023 to approximately HK\$5.0 million in FY2024, primarily due to a full year of rental income from the 5-storey tenement at 127 Kweilin Street, Kowloon. In FY2023, only half a month's rent was recorded following the acquisition of the property holding company on 13 March 2023.

The Group reported a profit attributable to owners of the Company of approximately HK\$0.5 million for FY2024, down from HK\$41.0 million in FY2023. The decline was mainly due to an approximately HK\$18.5 million increase in administrative expenses, driven by higher rent from special designated counters at stores of a renowned retail chain distributor, which was linked to increased gross sales. Additionally, a fair value loss of approximately HK\$15 million on investment properties was recorded, compared to an approximately HK\$11.9 million gain in FY2023.

Pursuant to Rule 11 of the Takeovers Code, as the book value of the consolidated property assets of the Company exceeded 50% of the book value of its consolidated total assets and that the Offeror is considered as an interested party under the Takeovers Code, a valuation on the properties of the Group and associated companies over which the Company exercises a significant degree of control (if any) as at 31 July 2025 is required and has been set out in "Appendix III — Valuation Report on Properties of the Group" to this Composite Document.

2. FINANCIAL INFORMATION OF THE GROUP

The Company is required to set out or refer in this Composite Document the consolidated statements of financial position, the consolidated statements of cash flows, and any other primary statements as shown in (i) the audited consolidated financial statements of the Group for the financial year ended 31 March 2025 (the "**2025 Financial Statements**"); (ii) the audited consolidated financial statements of the Group for the financial year ended 31 March 2024 (the "**2024 Financial Statements**"); and (iii) the audited consolidated financial statements of the Group for the financial year ended 31 March 2023 (the "**2023 Financial Statements**"), together with the significant accounting policies and any points from the notes to the relevant published accounts which are of major relevance to the appreciation of the above financial information.

The 2025 Financial Statements are set out from page 118 to page 218 in the annual report of the Company for the financial year ended 31 March 2025 (the “**2025 Annual Report**”) which was published on 25 July 2025. The 2025 Annual Report of the Company was posted on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (https://www.shunten.com.hk), and is accessible via the following hyperlinks:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0725/2025072500061.pdf>

The 2024 Financial Statements are set out from page 128 to page 246 in the annual report of the Company for the financial year ended 31 March 2024 (the “**2024 Annual Report**”) which was published on 26 July 2024. The 2024 Annual Report of the Company was posted on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (https://www.shunten.com.hk), and is accessible via the following hyperlinks:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0726/2024072600033.pdf>

The 2023 Financial Statements are set out from page 113 to page 239 in the annual report of the Company for the financial year ended 31 March 2023 (the “**2023 Annual Report**”) which was published on 21 July 2023. The 2023 Annual Report of the Company was posted on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (https://www.shunten.com.hk), and is accessible via the following hyperlinks:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0721/2023072100045.pdf>

3. INDEBTEDNESS STATEMENT

At the close of business on 31 July 2025, being the latest practicable date for the purpose of preparing this statement of indebtedness prior to the printing of this Composite Document, the indebtedness of the Group was as follows:

Bank Borrowings

As at the close of business on 31 July 2025, being the latest practicable date for the purpose of this indebtedness statement prior to printing of this Composite Document, the Group had outstanding secured bank borrowings of approximately HK\$117,502,000. The amounts were secured by the leasehold land and buildings and investment properties of the Group of approximately HK\$7,066,000 and HK\$175,800,000 respectively.

Amount due to a shareholder

As at the close of business on 31 July 2025, being the latest practicable date for the purpose of this indebtedness statement prior to printing of this Composite Document, the Group had outstanding amount due to a shareholder of approximately HK\$10,000,000. The amount due to a shareholder were unsecured, bearing Hong Kong Dollar Prime Rate of Bank of China (Hong Kong) Limited minus 2% per annum and repayable on demand.

Lease Liabilities

As at the close of business on 31 July 2025, being the latest practicable date for the purpose of this indebtedness statement prior to printing of this Composite Document, the Group had lease liabilities of approximately HK\$8,238,000, of which approximately HK\$5,096,000 were due within one year and approximately HK\$3,142,000 were due after one year.

Commitment

As at the close of business on 31 July 2025, being the latest practicable date for the purpose of preparing this indebtedness statement, the Group had capital expenditure contracted but not provided for in the consolidated financial statements in respect of the acquisition of property, plant and equipment of approximately HK\$363,000.

Contingent liabilities

As at the close of business on 31 July 2025, being the latest practicable date for the purpose of preparing this indebtedness statement, the Group had no litigations/claims of material importance as stated in the paragraph headed “Litigation” in Appendix V to this Composite Document. Accordingly, the Group had no material contingent liabilities as at 31 July 2025.

Disclaimers

Save as aforesaid, and apart from intra-group liabilities and normal trade and other payables in the ordinary course of the business, the Group did not have any outstanding debt securities issued and outstanding, and authorised or otherwise created but unissued, term loans, bank overdrafts and loans, other loans or other similar indebtedness, liabilities under acceptance or acceptance credits, debentures, mortgages, charges, hire purchase commitments, lease obligations, guarantees or other material contingent liabilities, at the close of business on 31 July 2025.

The Board has confirmed that there has not been any material change in the indebtedness or contingent liabilities of the Group since 31 July 2025 and up to and including the Latest Practicable Date.

4. MATERIAL CHANGE

The Directors have confirmed that there has been no material change in the financial or trading position or outlook of the Group since 31 March 2025, being the date to which the latest published audited financial statements of the Group were made up, up to and including the Latest Practicable Date.

5. ADJUSTED NET ASSET VALUE (“NAV”)

Set out below is the adjusted NAV of the Company as at 31 March 2025 based on the audited consolidated net asset value attributable to the Shareholders as at 31 March 2025, adjusted with reference to the valuation of all the properties of the Group as at 31 July 2025 as set out in Appendix III to this Composite Document:

	<i>HK\$</i>
Audited NAV as at 31 March 2025	136,624,000
Add: Appraised market value of the properties of the Group attributable to the Shareholders as at 31 July 2025	213,800,000
Less: The audited carrying amount of the properties of the Group attributable to the Shareholders as at 31 March 2025	183,874,000
Net revaluation surplus attributable to the Shareholders	<u>29,926,000</u>
Less: The difference between the consideration under the Provisional Agreement (as defined below) and the appraised value of Property 1 in the Valuation Report (<i>Note</i>)	(1,900,000)
Adjusted NAV	164,650,000
Adjusted NAV per Share as at 31 March 2025 and the Latest Practicable Date (based on 3,107,893,440 Shares in issue as at 31 March 2025 and the Latest Practicable Date)	0.053

Note:

The Group entered into a provisional agreement (the “**Provisional Agreement**”) on 14 July 2025 in relation to the intended disposal of Giant Bloom Holdings Limited, an indirect wholly-owned subsidiary of the Group which holds Property 1 in the Valuation Report at an agreed sale consideration of HK\$28 million and the appraised value of Property 1 is HK\$29.9 million as at 31 July 2025 in the Valuation Report.

The following is the text of a letter, summary of values and valuation certificates prepared for the purpose of incorporation in this Composite Document received from Ravia Global Appraisal Advisory Limited, an independent valuer, in connection with their opinion of values as at 31 July 2025 of the properties held by the Group.



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Wan Chai, Hong Kong.
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E: general@raviagroup.com

14 October 2025

Shunten International (Holdings) Limited

Unit D on 7th Floor, KC100,
100 Kwai Cheong Road,
Kwai Chung,
New Territories, Hong Kong

Dear Sirs/Madams,

Re: Valuations of Properties held by Shunten International (Holdings) Limited in Hong Kong

In accordance with the instructions of Shunten International (Holdings) Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) to value the properties held by the Group in Hong Kong, we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of the properties as at 31 July 2025 (the “**Date of Valuation**”) for the purpose of incorporation in the composite document dated 14 October 2025 jointly issued by Leading Virtue Holdings Limited and the Company. For the purpose of Rule 11.1(f) of the Code on Takeovers and Mergers (the “**Takeovers Code**”), we understand that value of the consolidated property assets of the Company represents 50% or more of the book value of the Company’s consolidated total assets as of 31 March 2025. We also understand that there is no other property which is held by the associated companies of the Company such that it is subject to a valuation report under Rule 11.1(f) of the Takeovers Code.

1. BASIS OF VALUATION

Our valuations of properties are our opinion of the market values which we would define as intended to mean “the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

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

2. VALUATION METHODOLOGY

For property 1, we have valued the property by the direct comparison approach assuming sale of the properties in their existing states with the benefit of vacant possession and by making reference to comparable sales transactions as available in the relevant market.

For properties 2–9, we have valued the properties by taking into account (i) the rental income of the properties derived from the existing leases where applicable, and (ii) the reversionary income potential of the leases based on market rental levels derived from analysis of comparable rental evidence for similar properties in the locality, which have been then capitalized to determine the market value at an appropriate capitalization rate.

3. TITLE INVESTIGATION

We have caused sample land searches to be made at the Land Registry. However, we have not scrutinized all the original documents to verify ownership or to ascertain the existence of any lease amendments which may not appear on the copies handed to us.

4. VALUATION ASSUMPTIONS

Our valuations have been made on the assumption that the owner sells the properties in the market in their existing states without the benefit of deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would serve to affect the values of the properties.

In addition, no account has been taken of any option or right of pre-emption concerning or affecting the sale of the properties and no allowance has been made for the properties to be sold in one lot or to a single purchaser.

5. SOURCE OF INFORMATION

In the course of our valuations, we have relied to a very considerable extent on the information provided by the Group and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, identification of properties, particulars of occupation, site/floor areas, ages of buildings and all other relevant matters which can affect the values of the properties. All documents have been used for reference only.

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

6. VALUATION CONSIDERATION

We have inspected the exterior and, where possible, the interior of the properties. No structural survey has been made in respect of the properties. However, during our inspections, we did not note any serious defects. We are not, however, able to report that the properties are free from rot, infestation or any other structural defects. No tests were carried out on any of the building services.

We have not carried out on-site measurement to verify the site/floor areas of the properties under consideration, but we have assumed that the site/floor areas shown on the documents handed to us are correct. Except as otherwise stated, all dimensions, measurements and areas included in the valuation certificates are based on information contained in the documents provided to us by the Group and are therefore approximate.

No allowance has been made in our valuations for any charges, mortgages or amounts owing on the properties nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

In valuing all of the properties held by the Group, we have complied with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, Rule 11 of the Hong Kong Code on Takeovers and Mergers published by the Securities and Futures Commission and The HKIS Valuation Standards (2024 Edition) published by The Hong Kong Institute of Surveyors.

As advised by the Group, the potential tax liabilities which would arise on the direct disposal of the property interests held by the Group at the amount valued by us mainly comprise the following:

- Stamp duty at a minimum of HKD100, progressive rates from 1.5% to 4.25%

As advised by the Group, on 14 July 2025, an indirect wholly-owned subsidiary of the Company entered into the provisional agreement with a purchaser to dispose the sale share and the sale loan of Giant Bloom Holdings Limited, being the holding company of Property No. 1 (as defined below). In relation to the disposal of the shares of Giant Bloom Holdings Limited, as advised by the Group, the tax liability for the Group shall be the seller's stamp duty at a rate of 0.1% of the consideration payable in respect of the relevant transaction or of the value of the shares of the subject company. The tax applicable to this transaction is expected to be HK\$28,000, being the stamp duty on the transfer of the shares of Giant Bloom Holdings Limited, calculated with reference to the consideration of the transaction of HK\$28 million. As advised by the Group, the likelihood of the relevant tax liabilities in respect of other properties held by the Group, being crystallised is remote as the Group have no existing plans for the disposal of such properties.

7. REMARKS

In accordance with our standard practice, we must state that this report is for the use only of the party to whom it is addressed and no responsibility is accepted to any third party for the whole or any part of its contents and neither the whole, nor any part of this report may be included in any published documents or statement nor published in any way without our prior written approval of the form and context in which it may appear.

Unless otherwise stated, all monetary amounts stated in our valuations are in Hong Kong Dollars (“**HKS**”).

Our Summary of Values and Valuation Certificates are attached herewith for your attention.

Yours faithfully,
For and on behalf of
RAVIA GLOBAL APPRAISAL ADVISORY LIMITED

Christopher Cheung
BSc (Hons) BBA (Hons)
MRICS MHKIS RPS (GP)
Associate Director

Dr. Alan Lee
PhD (BA) MFin BCom (Property)
MHKIS RPS (GP) AAPI CPV CPV (Business)
Director

Notes:

Dr. Alan Lee is a Registered Professional Surveyor (General Practice) under the Surveyors Registration Ordinance (Cap. 417) in Hong Kong. He is a Corporate Member of Hong Kong Institute of Surveyors and an Associate of Australian Property Institute. He has over 20 years’ valuation experience in Hong Kong, Macau, the PRC, the Asia Pacific Region, European countries and American countries.

Mr. Christopher Cheung is a Registered Professional Surveyor (General Practice) under the Surveyors Registration Ordinance (Cap. 417) in Hong Kong. He is a Professional Member of the Royal Institution of Chartered Surveyors and a Corporate Member of the Hong Kong Institute of Surveyors in the General Practice Division. He has over 11 years’ experience in valuation of properties in the Mainland China and Hong Kong.

SUMMARY OF VALUES

Properties held by the Group for investment purpose in Hong Kong

No.	Property	Market Value in Existing State as at 31 July 2025
1.	Flat on 7 th Floor with Balcony, “11 MacDonnell Road”, No. 11 MacDonnell Road, Hong Kong	HK\$29,900,000
2.	No. 127 Kweilin Street, Kowloon, Hong Kong	HK\$105,200,000
3.	Workshop Nos. 1, 2, 3 and 4 on 21 st Floor, Man Shing Industrial Building, Nos. 307–311 Castle Peak Road, Kwai Chung, New Territories, Hong Kong	HK\$15,200,000
4.	Workshops 01, 02, 03, 05, 06, 07, 08 and 09 on 27 th Floor, The Galaxy, No. 313 Castle Peak Road, Kwai Chung, Tsuen Wan, New Territories, Hong Kong	HK\$25,500,000
	Total:	<u>HK\$175,800,000</u>

SUMMARY OF VALUES

Properties held by the Group for owner occupation in Hong Kong

No.	Property	Market Value in Existing State as at 31 July 2025
5.	3rd Floor, Man Shing Industrial Building, No. 307–311 Castle Peak Road, Kwai Chung, New Territories, Hong Kong	HK\$16,500,000
6.	Workshops 1 and 2 on 5th Floor, Man Shing Industrial Building, No. 307–311 Castle Peak Road, Kwai Chung, New Territories, Hong Kong	HK\$8,900,000
7.	Workshops 3 and 4 on 5th Floor, Man Shing Industrial Building, No. 307–311 Castle Peak Road, Kwai Chung, New Territories, Hong Kong	HK\$6,200,000
8.	Workshop 3 on 22nd Floor, Man Shing Industrial Building, No. 307–311 Castle Peak Road, Kwai Chung, New Territories, Hong Kong	HK\$3,200,000
9.	Workshop 3 on 23rd Floor, Man Shing Industrial Building, No. 307–311 Castle Peak Road, Kwai Chung, New Territories, Hong Kong	HK\$3,200,000
	Total:	<u>HK\$38,000,000</u>

VALUATION CERTIFICATE

Properties held by the Group for investment purpose in Hong Kong

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 July 2025
1.	Flat on 7 th Floor with Balcony, "11 MacDonnell Road", No. 11 MacDonnell Road, Hong Kong	The property comprises a residential unit on the 7 th floor of a 32-storey over basement residential building completed in about 2002.	As advised by the Group, as at the Date of Valuation, the property was vacant.	HK\$29,900,000
	154/5,000th equal and undivided shares of and in Sub-Sections 1, 2 and The Remaining Portion of Section R, Sub-Sections 1, 2 and The Remaining Portion of Section P, Sub-Sections 1, 2, 3 and The Remaining Portion of Section Q, of Inland Lot No. 1381	The saleable area of the property is approximately 1,566.05 sq.ft. (or about 145.49 sq. m.). Inland Lot No. 1381 is held under Government Lease for a term of 999 years from 13 July 1896. The total Government Rent for the lots is HK\$88 per annum.		

Notes:

1. The registered owner of the property is Giant Bloom Holdings Limited vide Memorial No.11062901360051 dated 31 May 2011.
2. The property is subject to the following material encumbrances:
 - a. Undertaking Letter vide Memorial No. UB8667166 dated 27 March 2001 (Remarks: From Henderson Real Estate Agency Ltd to Building Department);
 - b. Occupation Permit No. HK 22/2002 (OP) vide Memorial No. UB8717370 dated 6 June 2002;
 - c. Deed of Mutual Covenant Incorporating Management Agreement in favour of Hang Yick Properties Management Limited "Manager" vide Memorial No. UB8899382 dated 4 March 2003; and
 - d. Mortgage in favour of Bank of Communication (Hong Kong) Limited for consideration of all monies vide Memorial No. 21112300420163 dated 10 November 2021.
3. The property falls within an area zoned as "Residential (Group B)" under approved Mid-Levels West Outline Zoning Plan No. S/H11/15.
4. As advised by the Group, the registered owner of the property is an indirectly wholly-owned subsidiary of the Company.
5. The inspection of the Property was carried out in September 2025 by Mr. Christopher Cheung, a Chartered Surveyor with over 11 years of experience in property valuation.

VALUATION CERTIFICATE

Properties held by the Group for investment purpose in Hong Kong

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 July 2025
2.	No. 127 Kweilin Street, Kowloon, Hong Kong Section A of New Kowloon Inland Lot Nos. 265	<p>The property comprises the whole tenement building with commercial use on the ground floor and mezzanine floor and residential use for upper floors, of a 5-storey building completed in about 1950.</p> <p>The gross floor area of the property is approximately 3,822 sq.ft. (or about 355.07 sq. m.). The total saleable area is 3,513 sq.ft. (or about 326.37 sq. m.) and ancillary area of flat roof and roof of 1,056 sq.ft.</p> <p>New Kowloon Inland Lot is held under Government Lease for a term of 75 years from 1 July 1898 renewed for a further term 24 years which has been statutorily extended to 30 June 2047. The Government Rent Payable for the lot is HK\$736 per annum.</p>	<p>As advised by the Group, as at the Date of Valuation, the property was subject to 13 tenancies at a total monthly rent of HK\$383,500, inclusive of rates, government rent, management fee, but exclusive of relevant utility charges, with the latest expiry date on 31 December 2028.</p> <p>(See Note 3)</p>	HK\$105,200,000

Notes:

1. The registered owner of the property is Daisyluck Industries Limited vide Memorial No. UB4748989 dated 21 February 1991.
2. The property is subject to Balconies Undertakings vide Memorial No. UB202664 dated 28 November 1950.

VALUATION CERTIFICATE

Properties held by the Group for investment purpose in Hong Kong

3. According to the information provided by the Group, the property was subject to 13 tenancies as at the Date of Valuation, details of which are set out as follows:

No.	Floor	Type	Lease Commencement Date	Lease Expiry Date	Monthly Rent (HK\$)
1	G/F	Commercial	01/02/2025	31/01/2028	45,800
2	G/F	Commercial	01/04/2024	31/03/2026	30,000
3	G/F	Commercial	01/06/2024	31/05/2026	47,000
4	G/F	Commercial	01/09/2024	31/08/2027	100,500
5	G/F	Commercial	01/04/2024	31/03/2026	32,000
6	G/F	Commercial	01/04/2025	31/12/2027	31,000
7	G/F	Commercial	01/01/2025	31/12/2028	29,500
8	M/F	Commercial	01/06/2024	31/05/2026	2,500
9	1/F	Commercial	01/02/2025	31/01/2028	27,500
10	2/F	Residential	01/02/2025	31/01/2028	14,800
11	2/F	Residential	01/10/2023	30/09/2025	7,500
12	2/F	Residential	01/02/2024	31/01/2026	3,300
13	3/F	Residential	01/02/2025	31/01/2028	12,100

Remarks: As advised by the Group, a formal tenancy agreement for Tenant 12 has not been executed. It is noted that the Group has continued to receive rental payments for this unit on a regular basis under the current arrangement.

4. The property is subject to the following material encumbrances:
- Mortgage in favour of DBS Bank (Hong Kong) Limited for consideration of all moneys vide Memorial No. 23050300730035 dated 19 April 2023; and
 - Assignment of Rentals in favour of DBS Bank (Hong Kong) Limited vide Memorial No. 23050300730049 dated 19 April 2023.
5. According to the information provided by the Group, details of the direct outgoing and disbursements of the property are as follows:

Direct Outgoing and Disbursements	HK\$/month
Property Consultant Fee	18,000.00
Government Rent & Rates	10,640.00

6. The property falls within an area zoned as “Residential (Group A)” under Draft Cheung Sha Wan Outline Zoning Plan No. S/K5/40.
7. As advised by the Group, the registered owner of the property is an indirectly wholly-owned subsidiary of the Company.
8. The inspection of the property was carried out in September 2025 by Mr. Christopher Cheung, a Chartered Surveyor with over 11 years of experience in property valuation.

VALUATION CERTIFICATE

Properties held by the Group for investment purpose in Hong Kong

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 July 2025
3.	Workshop Nos. 1, 2, 3 and 4 on 21 st Floor, Man Shing Industrial Building No. 307-311 Castle Peak Road, Kwai Chung, New Territories, Hong Kong 74/1,900th equal and undivided shares of and in Section C of Lot No. 693 in D.D. 445	The property comprises four workshop units on the 21 st floor of a 27-storey industrial building completed in about 1989. The gross floor area of the property is approximately 7,231.03 sq.ft. (or about 671.78 sq.m.) and saleable area of approximately 5,541 sq.ft. (or about 514.77 sq. m.). Lot No. 693 in D.D. 445 is held under New Grant No. 3554 for a term of 75 years from 1 July 1898 renewed for 24 years which has been statutorily extended to 30 June 2047. The Government Rent Payable for the lot is HK\$1,700 per annum.	As advised by the Group, as at the Date of Valuation, the property was subject to a tenancy for a term of 4 years expiring on 31 March 2027 at a monthly rent of HK\$66,518, inclusive of rates, government rent and management fee, but exclusive of relevant utility charges	HK\$15,200,000

Notes:

1. The registered owner of the property is Rich Sunny Investment Limited vide Memorial No.06081501860019 dated 27 July 2006.
2. The property is subject to the following material encumbrances:
 - a. Modification Letter vide Memorial No. TW125916 dated 7 March 1975;
 - b. Deed of Mutual Covenant and Management Agreement vide Memorial No. Tw592449 dated 6 June 1989; and
 - c. Mortgage in favour of Bank of Communication (Hong Kong) Limited for consideration of all monies vide Memorial No. 2112300420152 dated 10 November 2021.
3. According to the information provided by the Group, details of the direct outgoing and disbursements of the property are as follows:

Outgoing and Disbursements	HK\$/month
Building Management Fee	13,331.00
Government Rent & Rates	4,800.00

4. The property falls within an area zoned as "Industrial" under approved Kwai Chung Outline Zoning Plan No. S/KC/32.
5. As advised by the Group, the registered owner of the property is an indirectly wholly-owned subsidiary of the Company.
6. The inspection of the property was carried out in September 2025 by Mr. Christopher Cheung, a Chartered Surveyor with over 11 years of experience in property valuation.

VALUATION CERTIFICATE

Properties held by the Group for investment purpose in Hong Kong

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 July 2025
4.	Workshops 01, 02, 03, 05, 06, 07, 08 and 09 on 27 th Floor, The Galaxy, No. 313 Castle Peak Road, Kwai Chung, Tsuen Wan, New Territories, Hong Kong 429/11,488th equal and undivided shares of and in Section E of Lot No. 693 in D.D. 445	The property comprises the whole floor on the 27th floor of a 30-storey industrial building completed in 2014. The gross floor area of the property is approximately 6,193.69 sq.ft. (or about 575.41 sq. m.) and saleable area is approximately 4,419 sq.ft. (or about 410.55 sq. m.). Lot No. 693 in D.D. 445 is held under New Grant No. 3554 for a term of 75 years from 1 July 1898 renewed for 24 years which has been statutorily extended to 30 June 2047. The Government Rent Payable for the lot is HK\$1,700 per annum.	As advised by the Group, as at the Date of Valuation, portion of the property was subject to a tenancy expiring on 10 March 2026, at a monthly rent of about HK\$3,800, inclusive of rates, government rent, management fee and electricity fee at a monthly cap of HK\$500, but exclusive of other relevant utility charges. As advised, the remaining portion of the property was vacant as at the Date of Valuation.	HK\$25,500,000

Notes:

1. The registered owner of the property is Royal Richly (Hong Kong) Limited vide Memorial Nos. 14102801360011, 14102801360025, 14102801360034, 14102801360045, 14102801360056, 14102801360062, 14102801360078 and 14102801360088 dated 30 September 2014.
2. The property is subject to the following material encumbrances:
 - a. Occupation Permit (Permit No. NT64/2014(OP)) vide Memorial No. 14090202220019 dated 25 August 2014;
 - b. Deed of Mutual Covenant and Management Agreement with Plans vide Memorial No. 14092902120036 dated 15 September 2014; and
 - c. Mortgage in favour of Bank of Communication (Hong Kong) Limited for consideration of all monies vide Memorial No. 2111230420198 dated 10 November 2021.
3. According to the information provided by the Group, details of the direct outgoing and disbursements of the property are as follows:

Outgoing and Disbursements	HK\$/month
Building Management and Licence Fee	21,122.76
Government Rent & Rates	7,200.00

4. The property falls within an area zoned as “Industrial” under approved Kwai Chung Outline Zoning Plan No. S/KC/32.
5. As advised by the Group, the registered owner of the property is an indirectly wholly-owned subsidiary of the Company.
6. The inspection of the property was carried out in September 2025 by Mr. Christopher Cheung, a Chartered Surveyor with over 11 years of experience in property valuation.

VALUATION CERTIFICATE

Properties held by the Group for owner occupation in Hong Kong

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 July 2025
5.	3rd Floor, Man Shing Industrial Building, No. 307-311 Castle Peak Road, Kwai Chung, New Territories, Hong Kong 73/1,900th equal and undivided shares of and in Section C of Lot No. 693 in D.D. 445	The property comprises the whole industrial space on the 3rd floor of a 27-storey industrial building completed in about 1989. The gross floor area of the property is approximately 7,865.79 sq.ft. (or about 730.75 sq. m.) and saleable area of approximately 5,327 sq.ft. (or about 494.89 sq. m.). Lot No. 693 in D.D. 445 is held under New Grant No. 3554 for a term of 75 years from 1 July 1898 renewed for 24 years which has been statutorily extended to 30 June 2047. The Government Rent Payable for the lot is HK\$1,700 per annum.	As advised by the Group, the property was occupied by the Group as at the Date of Valuation.	HK\$16,500,000

Notes:

1. The registered owner of the property is Rich Sunny Investment Limited vide Memorial No. 10030500590023 dated 5 February 2010.
2. The property is subject to the following material encumbrances:
 - a. Deed of Mutual Covenant and Management Agreement vide Memorial No. Tw592449 dated 6 June 1989; and
 - b. Mortgage in favour of Bank of Communications (Hong Kong) Limited for consideration of all monies vide Memorial No. 2112300420152 dated 10 November 2021.
3. The property falls within an area zoned as “Industrial” under approved Kwai Chung Outline Zoning Plan No. S/KC/32.
4. As advised by the Group, the registered owner of the property is an indirectly wholly-owned subsidiary of the Company.
5. The inspection of the property was carried out in September 2025 by Mr. Christopher Cheung, a Chartered Surveyor with over 11 years of experience in property valuation.

VALUATION CERTIFICATE

Properties held by the Group for owner occupation in Hong Kong

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 July 2025
6.	Workshops 1 and 2 on 5th Floor, Man Shing Industrial Building, No. 307-311 Castle Peak Road, Kwai Chung, New Territories, Hong Kong 43/1,900th equal and undivided shares of and in Section C of Lot No. 693 in D.D. 445	The property comprises two industrial units on the 5th floor of a 27-storey industrial building completed in about 1989. The gross floor area of the property is approximately 4,257.84 sq.ft. (or about 395.56 sq. m.) and saleable area of approximately 3,225 sq.ft. (or about 299.61 sq. m.). Lot No. 693 in D.D. 445 is held under New Grant No. 3554 for a term of 75 years from 1 July 1898 renewed for 24 years which has been statutorily extended to 30 June 2047. The Government Rent Payable for the lot is HK\$1,700 per annum.	As advised by the Group, the property was occupied by the Group as at the Date of Valuation.	HK\$8,900,000

Notes:

1. The registered owner of the property is Power Regal International Limited vide Memorial No. 12040500810039 dated 8 March 2012.
2. The property is subject to the following material encumbrances:
 - a. Deed of Mutual Covenant and Management Agreement vide Memorial No. Tw592449 dated 6 June 1989; and
 - b. Mortgage in favour of Bank of Communications (Hong Kong) Limited for consideration of all monies vide Memorial No. 2112300420152 dated 10 November 2021.
3. The property falls within an area zoned as “Industrial” under approved Kwai Chung Outline Zoning Plan No. S/KC/32.
4. As advised by the Group, the registered owner of the property is an indirectly wholly-owned subsidiary of the Company.
5. The inspection of the property was carried out in September 2025 by Mr. Christopher Cheung, a Chartered Surveyor with over 11 years of experience in property valuation.

VALUATION CERTIFICATE

Properties held by the Group for owner occupation in Hong Kong

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 July 2025
7.	Workshops 3 and 4 on 5th Floor, Man Shing Industrial Building, No. 307-311 Castle Peak Road, Kwai Chung, New Territories, Hong Kong 31/1,900th equal and undivided shares of and in Section C of Lot No. 693 in D.D. 445	The property comprises two industrial units on the 5th floor of a 27-storey industrial building completed in about 1989. The gross floor area of the property is approximately 2,973.19 sq.ft. (or about 276.22 sq. m.) and saleable area of approximately 2,316 sq.ft. (or about 215.16 sq. m.). Lot No. 693 in D.D. 445 is held under New Grant No. 3554 for a term of 75 years from 1 July 1898 renewed for 24 years which has been statutorily extended to 30 June 2047. The Government Rent Payable for the lot is HK\$1,700 per annum.	As advised by the Group, the property was occupied by the Group as at the Date of Valuation.	HK\$6,200,000

Notes:

1. The registered owner of the property is Rich Sunny Investment Limited vide Memorial No. 10090600010026 dated 9 August 2010.
2. The property is subject to the following material encumbrances:
 - a. Deed of Mutual Covenant and Management Agreement vide Memorial No. Tw592449 dated 6 June 1989; and
 - b. Mortgage in favour of Bank of Communications (Hong Kong) Limited for consideration of all monies vide Memorial No. 2112300420152 dated 10 November 2021.
3. The property falls within an area zoned as “Industrial” under approved Kwai Chung Outline Zoning Plan No. S/KC/32.
4. As advised by the Group, the registered owner of the property is an indirectly wholly-owned subsidiary of the Company.
5. The inspection of the property was carried out in September 2025 by Mr. Christopher Cheung, a Chartered Surveyor with over 11 years of experience in property valuation.

VALUATION CERTIFICATE

Properties held by the Group for owner occupation in Hong Kong

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 July 2025
8.	Workshop 3 on 22nd Floor, Man Shing Industrial Building, No. 307-311 Castle Peak Road, Kwai Chung, New Territories, Hong Kong 16/1,900th equal and undivided shares of and in Section C of Lot No. 693 in D.D. 445	<p>The property comprises an industrial unit on the 22nd floor of a 27-storey industrial building completed in about 1989.</p> <p>The gross floor area of the property is approximately 1,537.27 sq.ft. (or about 142.82 sq. m.) and saleable area of approximately 1,208 sq.ft. (or about 112.23 sq. m.).</p> <p>Lot No. 693 in D.D. 445 is held under New Grant No. 3554 for a term of 75 years from 1 July 1898 renewed for 24 years which has been statutorily extended to 30 June 2047. The Government Rent Payable for the lot is HK\$1,700 per annum.</p>	As advised by the Group, the property was occupied by the Group as at the Date of Valuation.	HK\$3,200,000

Notes:

1. The registered owner of the property is Rich Sunny Investment Limited vide Memorial No. 08012503000049 dated 28 December 2007.
2. The property is subject to the following material encumbrances:
 - a. Deed of Mutual Covenant and Management Agreement vide Memorial No. Tw592449 dated 6 June 1989; and
 - b. Mortgage in favour of Bank of Communications (Hong Kong) Limited for consideration of all monies vide Memorial No. 2112300420152 dated 10 November 2021.
3. The property falls within an area zoned as “Industrial” under approved Kwai Chung Outline Zoning Plan No. S/KC/32.
4. As advised by the Group, the registered owner of the property is an indirectly wholly-owned subsidiary of the Company.
5. The inspection of the property was carried out in September 2025 by Mr. Christopher Cheung, a Chartered Surveyor with over 11 years of experience in property valuation.

VALUATION CERTIFICATE

Properties held by the Group for owner occupation in Hong Kong

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 July 2025
9.	Workshop 3 on 23rd Floor, Man Shing Industrial Building, No. 307-311 Castle Peak Road, Kwai Chung, New Territories, Hong Kong 16/1,900th equal and undivided shares of and in Section C of Lot No. 693 in D.D. 445	The property comprises an industrial unit on the 23rd floor of a 27-storey industrial building completed in about 1989. The gross floor area of the property is approximately 1,537.27 sq.ft. (or about 142.82 sq. m.) and saleable area of approximately 1,208 sq.ft. (or about 112.23 sq. m.). Lot No. 693 in D.D. 445 is held under New Grant No. 3554 for a term of 75 years from 1 July 1898 renewed for 24 years which has been statutorily extended to 30 June 2047. The Government Rent Payable for the lot is HK\$1,700 per annum.	As advised by the Group, the property was occupied by the Group as at the Date of Valuation.	HK\$3,200,000

Notes:

1. The registered owner of the property is Rich Sunny Investment Limited vide Memorial No. 11122000100055 dated 28 November 2011.
2. The property is subject to the following material encumbrances:
 - a. Deed of Mutual Covenant and Management Agreement vide Memorial No. Tw592449 dated 6 June 1989; and
 - b. Mortgage in favour of Bank of Communications (Hong Kong) Limited for consideration of all monies vide Memorial No. 2112300420152 dated 10 November 2021.
3. The property falls within an area zoned as “Industrial” under approved Kwai Chung Outline Zoning Plan No. S/KC/32.
4. As advised by the Group, the registered owner of the property is an indirectly wholly-owned subsidiary of the Company.
5. The inspection of the property was carried out in September 2025 by Mr. Christopher Cheung, a Chartered Surveyor with over 11 years of experience in property valuation.

1. RESPONSIBILITY STATEMENT

The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this Composite Document (other than that relating to the Group) and confirms, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in this Composite Document (other than opinions expressed by the Directors in their capacity as such) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading.

2. DEALINGS IN SECURITIES OF THE COMPANY

Save for the Sale and Purchase Agreement and the following transaction, none of the Offeror, Mr. Cheung nor any parties acting in concert with any of them has dealt in the Shares and any outstanding options, derivatives, warrants or other securities convertible into Shares during the Relevant Period.

During the Relevant Period, the following transaction was carried out by Prosper Rich, a party deemed to be acting in concert with the Offeror prior to the Completion:

Date of transaction	Name	No. of Shares disposed/ % of Shares disposed (Note 2)	Transaction price per Share (HK\$)
12 September 2025	Prosper Rich (Note 1)	Disposal of 165,821,793 Shares to Hammer Capital Consulting/ 5.3% of the issued Shares ("Prosper Rich Disposal")	0.024

Notes:

- The transaction represented the sale of the beneficial interests of 165,821,793 Shares by Prosper Rich to Hammer Capital Consulting, both companies beneficially owned by Ms. Leung Lisa, at a consideration of HK\$0.024 per Share, which is the same as the consideration per Share under the Sale and Purchase Agreement. These Shares had previously been lent by Prosper Rich to Hammer Capital Consulting pursuant to a stock borrowing and lending agreement and were held in brokerage accounts maintained under Hammer Capital Consulting. The transaction was structured to facilitate the sale of the Shares under the Sale and Purchase Agreement without necessitating the operational procedures of returning the Shares from Hammer Capital Consulting to Prosper Rich.
- Calculated based on the existing issued share capital of the Company (i.e. 3,107,893,440 Shares) as at the Latest Practicable Date.

3. INTERESTS AND OTHER ARRANGEMENTS

The Offeror confirms that, as at the Latest Practicable Date:

- (a) save for 1,457,282,033 Shares beneficially owned by the Offeror and 59,252,000 Shares beneficially owned by Mr. Cheung, representing approximately 46.89% and 1.91% of the total issued Shares, respectively, none of the Offeror, Mr. Cheung or parties acting in concert with any of them owned or had control or direction over any voting rights or rights over the Shares or convertible securities, options, warrants or derivatives of the Company;
- (b) there was no arrangement (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code which existed between the Offeror, Mr. Cheung or any person acting in concert with them and any other person;
- (c) there was no agreement or arrangement to which the Offeror, Mr. Cheung or parties acting in concert with any of them is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer;
- (d) save for the 723,242,000 Shares lent by Leading Virtue to Hammer Capital Ventures Limited, a company wholly-owned by Mr. Cheung pursuant to a securities borrowing and lending agreement made between Hammer Capital Ventures Limited (as borrower) and Leading Virtue (as lender) dated 18 July 2023 and remains in full force as at the Latest Practicable Date, none of the Offeror, Mr. Cheung or any person acting in concert with any of them had borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (e) none of the Offeror, Mr. Cheung or parties acting in concert with any of them had received any irrevocable commitment to accept or reject the Offer;
- (f) other than the consideration for the Sale Shares under the Sale and Purchase Agreement, i.e. HK\$18,384,960, the Offeror, Mr. Cheung or parties acting in concert with any of them had not paid and will not pay any other consideration, compensation or benefit in whatever form to the Sellers or parties acting in concert with any of them in connection with the sale and purchase of the Sale Shares;

- (g) save for the Sale and Purchase Agreement, there was no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Offeror, Mr. Cheung or parties acting in concert with any of them on the one hand and the Sellers, their respective ultimate beneficial owners or parties acting in concert with any of them on the other hand;
- (h) save for the Sale and Purchase Agreement, there was no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeover Code) between any Shareholder on the one hand, and (a) the Offeror, Mr. Cheung or parties acting in concert with any of them or (b) the Company, its subsidiaries or associated companies on the other hand;
- (i) there was no arrangement whereby any Director would be given any benefit as compensation for loss of office or otherwise in connection with the Offer;
- (j) there was no agreement, arrangement or understanding (including any compensation arrangement) existing between the Offeror or any party acting in concert with it and any Directors, recent Directors, Shareholders or recent Shareholders having any connection with or dependent upon the Offer; and
- (k) there was no agreement, arrangement or understanding that the Offer Shares acquired in pursuance of the Offer would be transferred, charged or pledged to any other persons.

4. QUALIFICATIONS AND CONSENTS OF EXPERTS

The following is the qualifications of the experts which have given opinions or advices which are contained or referred to in this Composite Document:

Name	Qualification
BaoQiao Partners	a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO
Prime Securities	a corporation licensed to carry out Type 1 (dealing in securities) regulated activity under the SFO

As at the Latest Practicable Date, each of the above experts has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion of its letter(s), advice(s) and/or reference(s) to its name in the form and context in which they respectively appear.

5. MARKET PRICES

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

Date	Closing price per Share (HK\$)
31 March 2025	0.024
30 April 2025	0.024
30 May 2025	0.026
30 June 2025	0.032
31 July 2025	0.029
29 August 2025	0.033
11 September 2025 (the last Business Day before of the Joint Announcement)	0.031
30 September 2025	0.033
10 October 2025 (the Latest Practicable Date)	0.036

During the Relevant Period, the highest and lowest closing prices of the Shares as quoted on the Stock Exchange was HK\$0.042 per Share on 15 September 2025 and 16 September 2025 and HK\$0.022 per Share on 7 April 2025, respectively.

6. MISCELLANEOUS

- (a) The Offeror is a company incorporated in the British Virgin Islands with limited liability and is wholly-owned by Mr. Cheung. The registered office of the Offeror is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands. The correspondence address of the Offeror is Room 1901, 19/F, Lee Garden Three, 1 Sunning Road, Causeway Bay, Hong Kong.
- (b) The sole director of the Offeror is Mr. Cheung, whose address is Room 1901, 19/F, Lee Garden Three, 1 Sunning Road, Causeway Bay, Hong Kong.
- (c) BaoQiao Partners is the financial adviser to the Offeror, its registered office of is Room C01, 26/F, United Centre, 95 Queensway, Admiralty, Hong Kong.
- (d) Prime Securities is the agent to the Offeror, its registered office of is Room 1602, 16/F, Kai Tak Commercial Building, 317–319 Des Voeux Road Central, Hong Kong; and
- (e) In the event of inconsistency, the English texts of this Composite Document and the Form of Acceptance shall prevail over their respective Chinese texts.

7. DOCUMENTS ON DISPLAY

Copies of the following documents will be available for inspection on (i) the website of the SFC (<http://www.sfc.hk>) and (ii) the website of the Company (www.shunten.com.hk), from the date of this Composite Document up to and including the Closing Date:

- (a) the memorandum and articles of association of the Offeror;
- (b) the written consents as referred to in the section headed “4. Qualifications and Consents of Experts” in this Appendix; and
- (c) the letter from Prime Securities, the text of which is set out on pages 5 to 12 of this Composite Document.

1. RESPONSIBILITY STATEMENT

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than that relating to the Offeror and parties acting in concert with it) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than the opinions expressed by the sole director of Offeror in his capacity as such) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading.

2. SHARE CAPITAL

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

<i>Authorised:</i>		<i>HK\$</i>
<u>4,000,000,000</u> Shares		<u>10,000,000</u>
<i>Issued and fully paid:</i>		<i>HK\$</i>
<u>3,107,893,440</u> Shares		<u>7,769,734</u>

All of the existing issued Shares currently in issue rank *pari passu* in all respects with each other, including, in particular, as to rights in respect of capital, dividends and voting. The Shares are listed and traded on the Stock Exchange. No Shares are listed, or dealt in, on any other stock exchange, nor is any listing of or permission to deal in the Shares being, or proposed to be sought, on any other stock exchange.

As at the Latest Practicable Date, the Company had no outstanding options, derivatives, warrants or securities which are convertible or exchangeable into Shares and had not entered into any agreement for the issue of such options, derivatives, warrants or securities of the Company.

The Company has not issued any Shares since 31 March 2025, the date to which the latest audited financial statements of the Company were made up.

3. DISCLOSURE OF INTERESTS

(a) Directors' and the chief executive's interests and short positions in the Shares, underlying Shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, the Directors or the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Listing Rules; or (iv) which were required to be disclosed under the Takeovers Code were as follows:

Name of Director	Capacity/ Nature of Interest	Number issued Shares held	Approximate percentage of the total issued Shares
Mr. Cheung	Interest of a controlled corporation (<i>Note 2</i>)	1,457,282,033 (L)	46.89%
	Beneficial owner	59,252,000 (L)	1.91%
	Other (<i>Note 3</i>)	723,242,000 (S)	23.27%

Notes:

- The letters "L" and "S" denote the Director's long and short position in the shares of the Company respectively.
- 1,457,282,033 Shares is owned by Leading Virtue (the Offeror), a company wholly-owned by Mr. Cheung.
- Based on the public information of disclosure of interests from the website of the Stock Exchange (<http://www.hkexnews.hk/di/di.htm>), with reference to the notices of disclosures of interests of Hammer Capital Ventures Limited and Mr. Cheung filed with the Stock Exchange on 21 July 2023, the short position of 723,242,000 shares of the Company represents the shares lent by Leading Virtue as lender to Hammer Capital Ventures Limited as borrower pursuant to a securities borrowing and lending agreement. Hammer Capital Ventures Limited is wholly-owned by Mr. Cheung. As such, Mr. Cheung is deemed to be interested in the interest held by Hammer Capital Ventures Limited by virtue of the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Listing Rules; or (iv) which were required to be disclosed under the Takeovers Code.

(b) Substantial Shareholders' interests and short positions in the Shares, underlying Shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of the SFO and, so far as was known to the Directors, the persons or entities (other than a Director or the chief executive of the Company) who had an interest or a short position in the Shares or the underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were, directly or indirectly, interested in 5% or more of the issued voting shares of any other member of the Group, or in any options in respect of such share capital and recorded in the register kept by the Company pursuant to section 336 of the SFO were as follows:

Long position in the Shares:

Name of Shareholder	Capacity/ Nature of Interest	Number issued Shares held	Approximate percentage of the total issued Shares
Leading Virtue	Beneficial owner	1,457,282,033	46.89%

Notes:

1. 1,457,282,033 Shares are held by Leading Virtue (the Offeror), a company wholly-owned by Mr. Cheung.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other person or entities (other than a Director or the chief executive of the Company) who had, or was deemed or taken to have, an interest or short position in the Shares and underlying Shares which are required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO, or who were directly or indirectly interested in 5% or more of the issued voting shares of any other member of the Group, or in any options in respect of such share capital and recorded in the register kept by the Company pursuant to section 336 of the SFO.

4. SHAREHOLDINGS AND DEALINGS IN SECURITIES

- (a) During the Relevant Period and up to the Latest Practicable Date,
 - (i) save for the sale of the Sale Shares, none of the Directors had dealt for value in, any Shares or any securities, convertible securities, warrants, options, or derivatives in respect of any Shares or securities of the Company; and
 - (ii) save for Mr. Cheung, none of the Company and the Directors had owned or controlled, or had dealt for value in, any shares or any convertible securities, warrants, options or derivatives in respect of the shares of the Offeror;
- (b) no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company were owned or controlled or dealt with by a subsidiary of the Company or by a pension fund of members of the Group or by a person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of acting in concert under the Takeovers Code or who is an associate of the Company by virtue of class (2) of the definition of associate under the Takeovers Code (but excluding exempt principal traders and exempt fund managers) during the Offer Period and up to the Latest Practicable Date;
- (c) save for the Sale and Purchase Agreement, no person who had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of acting in concert under the Takeovers Code or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of associate under the Takeovers Code had any dealings in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the Offer Period and up to the Latest Practicable Date;
- (d) save for the 723,242,000 Shares lent by Leading Virtue to Hammer Capital Ventures Limited, a company wholly-owned by Mr. Cheung pursuant to a securities borrowing and lending agreement made between Hammer Capital Ventures Limited (as borrower) and Leading Virtue (as lender) dated 18 July 2023, none of the Offeror, Mr. Cheung or any person acting in concert with any of them has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;

- (e) save for Mr. Cheung who is acting in concert with the Offeror and will not accept the Offer, none of the Directors held any beneficial shareholdings in the Company and accordingly none of them is entitled to accept or reject the Offer; and
- (f) no Shares or any securities, convertible securities, warrants, options or derivatives in respect of any Shares or securities of the Company were managed on a discretionary basis by fund managers (other than exempt fund managers) connected with the Company and no such person had dealt for value in any Shares or any securities, convertible securities, warrants, options or derivatives in respect of any Shares or securities of the Company.

5. ARRANGEMENTS AFFECTING DIRECTORS

As at the Latest Practicable Date:

- (a) no benefit (other than statutory compensation) would be given to any Director as compensation for loss of office or otherwise in connection with the Offer;
- (b) no agreement or arrangement was entered into between any Director and any other person which was conditional or dependent upon the outcome of the Offer or otherwise connected with the Offer;
- (c) save for the Sale and Purchase Agreement, no material contract was entered into by the Offeror in which any Director had a material personal interests; and
- (d) there was no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (1) any Shareholder on the one hand and (2) the Company, its subsidiaries or associated companies on the other hand.

6. SERVICE CONTRACTS OF DIRECTORS

On 30 June 2025, Ms. Dong Jian Mei, an independent non-executive Director, entered into a service contract with the Company with the appointment as the Company's independent non-executive director commencing on 1 July 2025 with no fixed-term, but will be subject to retirement by rotation and re-election in accordance with the articles of association of the Company and Listing Rules or termination by either party giving to the other not less than three months' notice in writing, with a director's emolument of HK\$240,000 per annum. No variable remuneration is payable under such service agreement.

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

7. QUALIFICATIONS AND CONSENTS OF EXPERTS

The following is the qualifications of the experts who have given opinions, letters, reports or advices which are contained in this Compositing Document:

Name	Qualification
Altus Capital Limited	a corporation licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO
Ravia Global Appraisal Advisory Limited	Chartered surveyor and independent property valuer

As at the Latest Practicable Date, each of the above experts has given and has not withdrawn its written consent as to the issue of this Composite Document with the inclusion herein of its letters, reports, advices, opinions and/or references to its names in the form and context in which they respectively appear.

8. LITIGATION

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

9. MATERIAL CONTRACTS

Save as disclosed below, as at the Latest Practicable Date, the members of the Group had not entered into any material contracts (being a contract not entered into in the ordinary course of business carried or intended to be carried on by any member of the Group) after the date two years before the commencement of the Offer Period up to and including the Latest Practicable Date:

- a provisional agreement dated 14 July 2025 was entered into between Best Billion Limited (an indirect wholly-owned subsidiary of the Company) as the vendor and Power Innovation International Limited as the purchaser (an independent third-party), in relation to the sale of the Giant Bloom Holdings Limited, an investment holding company and an indirect wholly-owned subsidiary of the Group holding a residential property situated at No. 11 MacDonnell Road, Hong Kong to the purchaser at a consideration of HK\$28 million, details of which were disclosed in the Company's announcements dated 14 July 2025 and 1 August 2025.

10. GENERAL

- (a) The registered office of the Company is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

- (b) The principal place of business of the Company in Hong Kong is Unit D, 7/F, KC100, 100 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong.
- (c) As at the Latest Practicable Date, the executive Director is Mr. CHEUNG Siu Fai; the non-executive Director is Ms. SO Tsz Kwan; and the independent non-executive Directors are Mr. LEUNG Winson Kwan Yau, Ms. DONG Jian Mei and Mr. LAM Chik Shun Marcus.
- (d) The company secretary of the Company is Ms. Chan Yuk Chi, who is a Certified Public Accountant (Practising) registered under the Accounting and Financial Reporting Council Ordinance (Cap. 588), a fellow member of The Hong Kong Institute of Certified Public Accountants, an associate member of The Institute of Chartered Accountants in England and Wales, a Chartered Secretary, a Chartered Governance Professional and a fellow member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.
- (e) The Hong Kong branch share registrar and transfer agent of the Company is Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (f) The registered office of Altus Capital, the Independent Financial Adviser, is at 21 Wing Wo Street, Central, Hong Kong.
- (g) In the event of inconsistency, the English texts of this Composite Document and the Form of Acceptance shall prevail over their respective Chinese texts.

11. DOCUMENTS ON DISPLAY

In addition to the documents relating to the Offeror as set out in the paragraph headed “7. Documents on Display” in Appendix IV to this Composite Document, copies of the following documents will be available for inspection on (i) the website of the SFC (<http://www.sfc.hk>) and (ii) the website of the Company (www.shunten.com.hk), from the date of this Composite Document up to and including the Closing Date:

- (a) the memorandum of association and articles of association of the Company;
- (b) the annual reports of the Company for each of the years ended 31 March 2023, 2024 and 2025;
- (c) the letter from the Board, the text of which is set out on pages 13 to 20 of this Composite Document;
- (d) the letter from the Independent Board Committee, the text of which is set out on pages 21 to 22 of this Composite Document;
- (e) the letter from the Independent Financial Adviser, the text of which is set out on pages 23 to 46 of this Composite Document;

- (f) the Valuation Report prepared by Ravia Global Appraisal Advisory Limited, the text of which is set out on pages III-1 to III-17 of this Composite Document;
- (g) the service contract referred to in the paragraph headed “6. Service Contracts of Directors” in this Appendix;
- (h) the contract referred to in the paragraph headed “9. Material Contracts” in this Appendix; and
- (i) the written consents referred to in the section headed “7. Qualifications and Consents of Experts” in this Appendix.