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## THIS COMPOSITE DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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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 Hang Sang (Siu Po) International Holding Company 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.


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**WADE INVESTMENT SPC LTD**  
(Incorporated in the Cayman Islands with limited liability)  
acting for and on behalf of  
**WADE INVESTMENT SP1**

**HANG SANG (SIU PO) INTERNATIONAL  
HOLDING COMPANY LIMITED**  
(Incorporated in the Cayman Islands with limited liability)  
(Stock Code: 3626)

**COMPOSITE DOCUMENT  
RELATING TO MANDATORY UNCONDITIONAL CASH OFFER BY  
ALTUS INVESTMENTS LIMITED  
ON BEHALF OF THE OFFEROR ACTING FOR AND ON BEHALF OF  
WADE INVESTMENT SP1  
TO ACQUIRE ALL THE ISSUED SHARES OF  
HANG SANG (SIU PO) INTERNATIONAL HOLDING COMPANY LIMITED  
(OTHER THAN THOSE SHARES  
ALREADY OWNED AND/OR AGREED TO BE ACQUIRED BY  
THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT)**

**Financial Adviser to the Offeror**  
**ALTUS CAPITAL LIMITED**

**Financial Adviser to the Company**  
 **Gram Capital Limited**  
嘉林資本有限公司

**Independent Financial Adviser to the Independent Board Committee**



BAOQIAO PARTNERS

**BAOQIAO PARTNERS CAPITAL LIMITED**

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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 Altus Capital containing, among other things, the details of the terms of the Offer is set out on pages 8 to 19 of this Composite Document. A letter from the Board is set out on pages 20 to 29 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 30 to 31 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 32 to 59 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, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible and in any event no later than 4:00 p.m. on Monday, 16 June 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 Altus Capital and the section headed "8. 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](http://www.hkexnews.hk) and website of the Company at [www.hangsangpress.com](http://www.hangsangpress.com) 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.

26 May 2025

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## EXPECTED TIMETABLE

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*The timetable set out below is indicative only and may be subject to changes. 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.*

Record Date for the Special Dividend (*Note 1*) . . . . . Wednesday, 30 April 2025

Payment date of the Special Dividend . . . . . Wednesday, 14 May 2025

Completion Date . . . . . Monday, 19 May 2025

Despatch date of this Composite Document and  
the Form of Acceptance and commencement  
date of the Offer (*Note 2*) . . . . . Monday, 26 May 2025

Latest time and date for acceptance of  
the Offer (*Notes 3, 4 and 6*) . . . . . 4:00 p.m. on Monday, 16 June 2025

Closing Date (*Notes 3, 4 and 6*) . . . . . Monday, 16 June 2025

Announcement of the results of the Offer  
(or its extension or revision, if any)  
as at the Closing Date to be posted on  
the website of the Stock Exchange (*Notes 3 and 6*) . . . . no later than 7:00 p.m. on  
Monday, 16 June 2025

Latest date for posting of remittance for  
the amounts due under the Offer in  
respect of valid acceptances received  
under the Offer (*Notes 5 and 6*) . . . . . Wednesday, 25 June 2025

*Notes:*

1. The payment of the Special Dividend has been made on Wednesday, 14 May 2025. For the avoidance of doubt, any Shareholder whose name appears on the Company's principal or branch share registrar on the Record Date was entitled to the Special Dividend. Shareholders were entitled to the Special Dividend irrespective of whether they accept the Offer or not.
2. The Offer, which is unconditional, is made on the date of posting of this Composite Document and is capable of acceptance on and from that date until 4:00 p.m. on the Closing Date unless the Offeror revises or extends the Offer in accordance with the Takeovers Code. Acceptances of the Offer shall be irrevocable and shall not be capable of being withdrawn, except in the circumstances set out in the section headed "6. Right of Withdrawal" in Appendix I to this Composite Document.
3. In accordance with the Takeovers Code, the Offer must initially be opened for acceptance for at least 21 days following the date on which this Composite Document is posted. The latest time and date for acceptance of the Offer is 4:00 p.m. on Monday, 16 June 2025 unless the Offeror revises or extends the Offer in accordance with the Takeovers Code. An announcement will be jointly issued by the Company and the Offeror through the website of the Stock Exchange by 7:00 p.m. on the Closing Date stating the results of the Offer and whether the Offer has been extended, revised or expired. In the event that the Offeror decides to revise or extend the Offer and the announcement does not specify the next closing date, at least 14 days' notice by way of an announcement will be given before the Offer is closed to those Independent Shareholders who have not accepted the Offer.

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## EXPECTED TIMETABLE

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4. 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.
5. 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.
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 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 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.

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

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## DEFINITIONS

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*Unless the context requires otherwise, the following expressions shall have the meanings set out below in this Composite Document:*

|                     |  |
|---------------------|--|
| “acting in concert” | has the meaning ascribed to it under the Takeovers Code  |
| “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 financial adviser of the Offeror in respect of the Offer  |
| “Altus Investments” | Altus Investments Limited, a corporation licensed to carry out Type 1 (dealing in securities) regulated activity under the SFO, which is making the Offer on behalf of the Offeror   |
| “associate(s)”      | has the same meaning ascribed to it under the Takeovers Code   |
| “Austen Capital”    | Austen Capital International Limited, a corporation licensed to carry out Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO   |
| “Board”             | the board of Directors   |
| “Business Day(s)”   | 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 Hong Kong Securities Clearing Company Limited   |
| “Class 1A Shares”   | has the meaning ascribed to it under the section headed “INFORMATION ON THE OFFEROR” in the “Letter from Altus Capital” in the Composite Document  |
| “Class 1B Shares”   | has the meaning ascribed to it under the section headed “INFORMATION ON THE OFFEROR” in the “Letter from Altus Capital” in the Composite Document  |
| “Closing Date”      | 16 June 2025, being the date stated in this Composite Document as the closing date of the Offer, or if the Offer is extended, any subsequent closing date as may be announced by the Offeror with the consent of the Executive and in compliance with the Takeovers Code |

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## DEFINITIONS

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|------------------------------|---|
| “Company”                    | Hang Sang (Siu Po) International Holding Company Limited (Stock Code: 3626), a company incorporated in the Cayman Islands with limited liability, the 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   |
| “Completion Announcement”    | the announcement jointly issued by the Offeror and the Company on 19 May 2025 in relation to, among other things, the Completion  |
| “Completion Date”            | 19 May 2025, being the date of Completion   |
| “Composite Document”         | this composite offer and response document jointly issued by the Offeror and the Company in accordance with the Takeovers Code, containing, among other things, details of the Offer, the Form of Acceptance, the respective letters of advice from the Independent Board Committee and the Independent Financial Adviser |
| “Consideration”              | HK\$195,000,000, being the aggregate consideration paid by the Offeror to the Seller for the acquisition of the Sale Shares pursuant to the Sale and Purchase Agreement   |
| “controlling shareholder(s)” | has the meaning ascribed thereto under the Listing Rules  |
| “Deed of Indemnity”          | the deed of indemnity entered into between the Seller and the Seller Guarantors upon Completion pursuant to the Sale and Purchase Agreement, pursuant to which the Seller and the Seller Guarantors agreed to give certain indemnities in favour of the Company (for itself and on trust for the Group Companies)         |
| “Director(s)”                | the director(s) of the Company  |
| “EGM”                        | the extraordinary general meeting of the Company held on 27 April 2025 for considering and approving, among others, the declaration and payment of the Special Dividend   |

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## DEFINITIONS

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| “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 |
| “Escrow Agreement”   | the escrow agreement entered into between the Offeror, the Seller and RSRB Secretariat Limited (as escrow agent) upon Completion  |
| “Executive”          | the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director   |
| “Form of Acceptance” | the form of acceptance and transfer of the Offer Shares in respect of the Offer   |
| “FY2023”             | the financial year ended 30 June 2023   |
| “FY2024”             | the financial year ended 30 June 2024   |
| “Group”              | the Company and its subsidiaries, and “Group Company”, “Group Companies” and “member of the Group” shall be construed accordingly. For the avoidance of doubt, the Company is a Group Company and a member of the Group   |
| “HKSCC”              | Hong Kong Securities Clearing Company Limited   |
| “HK\$”               | Hong Kong dollar(s), the lawful currency of Hong Kong   |
| “Hong Kong”          | the Hong Kong Special Administrative Region of the People’s Republic of China   |
| “HY2023/2024”        | the six months ended 31 December 2023   |
| “HY2024/2025”        | the six months ended 31 December 2024   |

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## DEFINITIONS

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| “Independent Board Committee”   | an independent committee of the Board comprising all independent non-executive Directors, namely Ms. Fung Po Yee and Dr. Sung Ting Yee, 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” | BaoQiao Partners Capital Limited, a corporation licensed under the SFO to carry out Type 6 (advising on corporate finance) regulated activity, 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 |
| “Independent Shareholders”      | the Shareholders other than the Offeror and parties acting in concert with it  |
| “Joint Announcement”            | the joint announcement dated 30 March 2025 jointly issued by the Company and the Offeror in relation to, among other things, the Sale and Purchase Agreement and the Offer   |
| “Last Full Trading Day”         | 25 March 2025, being the last full trading day prior to the trading halt of the Shares pending the publication of the Joint Announcement   |
| “Last Trading Day”              | 26 March 2025, the last trading day for the Shares immediately prior to the trading halt of the Shares pending the publication of the Joint Announcement   |
| “Latest Practicable Date”       | 23 May 2025, being the latest practicable date prior to the printing of this Composite Document for the purpose of ascertaining certain information contained in this Composite Document   |
| “Listing Rules”                 | the Rules Governing the Listing of Securities on the Stock Exchange  |
| “Mr. David Fung”                | Mr. Fung Man Kam, an executive Director and a controlling shareholder of the Company prior to Completion, holding 38% of issued shares of the Seller   |
| “Mr. Lu”                        | Mr. Lu Xiaoma, a director of the Offeror and Austen Capital  |



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## DEFINITIONS

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|-----------------------------|--|
| “Mr. Samson Fung”           | Mr. Fung Man Wai Samson, the chairman, the chief executive officer, an executive Director and a controlling shareholder of the Company prior to Completion, holding 62% of issued shares of the Seller   |
| “Ms. Geffner”               | Ms. Xin Yue Jasmine Geffner  |
| “Offer”                     | the mandatory unconditional cash offer made by Altus Investments 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 30 March 2025, being the date of the Joint Announcement, and ending on the date when the Offer closes in accordance with the Takeovers Code   |
| “Offer Price”               | the price at which the Offer is made, being HK\$1.414 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  |
| “Offeror”                   | Wade Investment SPC Ltd, a segregated portfolio company incorporated in the Cayman Islands with limited liability which is acting for and on behalf of Wade Investment SP1   |
| “Overseas Shareholder(s)”   | Shareholder(s) whose addresses, as shown on the register of members of the Company, are outside Hong Kong  |
| “Poll Results Announcement” | the announcement of the Company dated 27 April 2025 in relation to the approval of the Shareholders on the declaration and payment of the Special Dividend at the EGM  |
| “Record Date”               | the date for determining the entitlements of the Shareholders to the Special Dividend, being 30 April 2025, which was a date prior to Completion   |
| “Registrar”                 | Union Registrars Limited, the Hong Kong branch share registrar and transfer office of the Company, being the agent to receive the Form of Acceptance under the Offer   |

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## DEFINITIONS

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|---------------------------------|---|
| “Relevant Period”               | the period from 30 September 2024, being the date falling six months preceding the date of the Joint Announcement (i.e. commencement date of the Offer Period), up to and including the Latest Practicable Date                   |
| “Sale and Purchase Agreement”   | the sale and purchase agreement dated 28 March 2025 entered into between the Seller, the Offeror and the Seller Guarantors for the sale and purchase of the Sale Shares   |
| “Sale Shares”                   | 138,000,000 Shares sold by the Seller to the Offeror pursuant to the Sale and Purchase Agreement, and each a “Sale Share”   |
| “Seller”                        | HSSP Limited, a company incorporated in the British Virgin Islands with limited liability and a controlling shareholder of the Company prior to Completion, which is owned as to 62% by Mr. Samson Fung and 38% by Mr. David Fung |
| “Seller Guarantors”             | Mr. Samson Fung and Mr. David Fung, and each a “Seller Guarantor”   |
| “SFC”                           | The Securities and Futures Commission of Hong Kong  |
| “SFO”                           | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)   |
| “Share(s)”                      | ordinary share(s) of HK\$0.01 each in the issued share capital of the Company   |
| “Shareholder(s)”                | holder(s) of the Shares from time to time   |
| “Smoores Annual Report”         | has the meaning ascribed to it under the section headed “INTENTIONS OF THE OFFEROR IN RELATION TO THE GROUP” in the “Letter from Altus Capital” in this Composite Document  |
| “Special Dividend”              | the special dividend of HK\$0.108 per Share declared and approved by the Shareholders at the EGM, the Record Date of which was 30 April 2025 and the payment date of which was 14 May 2025  |
| “Special Dividend Announcement” | the announcement of the Company dated 11 April 2025 in relation to, among other things, the declaration and payment of the Special Dividend   |
| “Stock Exchange”                | The Stock Exchange of Hong Kong Limited   |

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## DEFINITIONS

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“Takeovers Code”

the Hong Kong Code on Takeovers and Mergers

“%”

per cent.

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## LETTER FROM ALTUS CAPITAL

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**ALTUS**

**Altus Capital Limited**

21 Wing Wo Street

Central

Hong Kong

26 May 2025

*To the Independent Shareholders*

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY  
ALTUS INVESTMENTS LIMITED  
ON BEHALF OF THE OFFEROR ACTING FOR AND ON  
BEHALF OF WADE INVESTMENT SP1  
TO ACQUIRE ALL THE ISSUED SHARES OF  
HANG SANG (SIU PO) INTERNATIONAL HOLDING COMPANY LIMITED  
(OTHER THAN THOSE SHARES  
ALREADY OWNED AND/OR AGREED TO BE ACQUIRED BY  
THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT)**

### INTRODUCTION

References are made to (i) the Joint Announcement in relation to, among other things, the Sale and Purchase Agreement and the Offer; (ii) the Special Dividend Announcement in relation to, among other things, the declaration and payment of the Special Dividend; (iii) the Poll Results Announcement in relation to the approval of the Shareholders on the declaration and payment of the Special Dividend; and (iv) the Completion Announcement in relation to, among other things, the Completion. Terms used in this letter shall have the same meanings as defined in this Composite Document unless the context otherwise requires.

On 28 March 2025, the Offeror, the Seller and the Seller Guarantors entered into the Sale and Purchase Agreement, pursuant to which the Offeror has conditionally agreed to purchase, and the Seller has conditionally agreed to sell, the Sale Shares, being 138,000,000 Shares (representing 75% of the total issued Shares), for a total Consideration of HK\$195,000,000, equivalent to approximately HK\$1.413 per Sale Share. As disclosed in the Special Dividend Announcement, the Record Date of the Special Dividend was 30 April 2025. As disclosed in the Poll Results Announcement, the declaration and payment of the Special Dividend were approved by the Shareholders at the EGM held on 27 April 2025. Payment of the Special Dividend was made on 14 May 2025. Completion took place on 19 May 2025 after the Record Date and payment of the Special Dividend.

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## LETTER FROM ALTUS CAPITAL

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Immediately following the Completion, the Offeror and parties acting in concert with it owns 138,000,000 Shares (representing 75% of the total issued Shares). Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is therefore required to make a mandatory unconditional 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).

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 securities of the Company. 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

Altus Investments, for and on behalf of the Offeror, hereby makes the Offer in compliance with the Takeovers Code on the following basis:

**For each Offer Share ..... HK\$1.414 in cash**

Pursuant to the Takeovers Code, the Offer Price must not be lower than the purchase price per Sale Share payable by the Offeror to the Seller under the Sale and Purchase Agreement. The Offeror has therefore decided to set the Offer Price at HK\$1.414.

The Offer is unconditional in all respects and is not conditional upon acceptances being received in respect of a minimum number of Offer Shares. The Offer will be extended to all Independent 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 receive any dividend or other distribution 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 disclosed in the Joint Announcement, the Seller had informed the Offeror that the Company expects to declare a Special Dividend in the amount of approximately HK\$20 million, and the Record Date for determining which Shareholders are entitled to receive such dividend (i.e. HK\$0.108 per Share) will be prior to the Completion Date. The Offeror had acknowledged and consented to such Special Dividend if so declared by the Board and approved by the Shareholders. The Offeror had also confirmed that no reduction will be made to the Offer Price if Special Dividend is approved by the Shareholders. As subsequently disclosed in the Poll Results Announcement, the declaration and payment of

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## LETTER FROM ALTUS CAPITAL

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the Special Dividend were approved by the Shareholders at the EGM held on 27 April 2025. Payment of the Special Dividend was made on 14 May 2025 to Shareholders whose names appeared on the register of members of the Company on 30 April 2025 (i.e. the Record Date). The Company confirms that, as at the Latest Practicable Date, the Company did not have any dividend or distribution recommended, declared or made but unpaid and has no intention to make any distribution or declare dividends before the close of the Offer.

The Offeror intends to fund the consideration payable under the Offer in full by way of its internal resources.

### **The Offer Price**

The Offer Price of HK\$1.414 per Share represents:

- (a) a discount of approximately 85.42% to the closing price of HK\$9.700 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (b) a premium of approximately 34.67% over the closing price of HK\$1.050 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (c) a premium of approximately 99.15% over the closing price of HK\$0.710 per Share as quoted on the Stock Exchange on the Last Full Trading Day;
- (d) a premium of approximately 119.57% over the average closing price of HK\$0.644 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Full Trading Day;
- (e) a premium of approximately 132.57% over the average closing price of approximately HK\$0.608 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Full Trading Day;
- (f) a premium of approximately 187.40% over the average closing price of approximately HK\$0.492 per Share as quoted on the Stock Exchange for the last thirty consecutive trading days up to and including the Last Full Trading Day;
- (g) a premium of approximately 542.73% to the audited consolidated net asset value attributable to owners of the Company of approximately HK\$0.22 per Share as at 30 June 2024, calculated based on the information set out in the Company's annual report for the year ended 30 June 2024, published on 30 October 2024; and
- (h) a premium of approximately 514.78% to the unaudited consolidated net asset value attributable to owners of the Company of approximately HK\$0.23 per Share as at 31 December 2024, calculated based on the information set out in the Company's interim results announcement for the six months ended 31 December 2024, published on 28 February 2025.

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## LETTER FROM ALTUS CAPITAL

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### **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\$17.700 per Share on 17 April 2025 and HK\$0.270 per Share on 30 September and 2 October 2024, respectively.

### **Value of the Offer**

As at the Latest Practicable Date, there are 184,000,000 Shares in issue. On the basis of the Offer Price of HK\$1.414 per Offer Share, the entire issued share capital of the Company would be valued at HK\$260,176,000. 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 46,000,000 Shares is subject to the Offer. Based on the Offer Price of HK\$1.414 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\$65,044,000.

### **Confirmation of Financial Resources**

The Offeror intends to finance the Offer by way of its internal resources. Altus Capital 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.

### **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 in full all dividends and other distributions, if any, recommended, declared, made or paid by reference to a record date 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 in full all dividends and other distributions, if any, recommended, declared, made or paid by reference to a record date on or after the date on which the Offer is made. For the avoidance of doubt, the Special Dividend was already paid on 14 May 2025 to Shareholders whose names appear on the register of members of the Company on 30 April 2025 (i.e. the Record Date). The Company confirms that, as at the Latest Practicable Date, the Company has not declared any dividends which have not been distributed and the Company has no plan to declare, recommend, or pay any dividends or make any other distributions before the close of the Offer.

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

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## LETTER FROM ALTUS CAPITAL

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### **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, Altus Capital 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.

### **Payment**

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 to an Independent Shareholder who accepts the Offer 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



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## LETTER FROM ALTUS CAPITAL

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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, 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 segregated portfolio company incorporated in the Cayman Islands with limited liability, acting for and on behalf of one of its segregated portfolios, Wade Investment SP1 (being an investment fund), in relation to the sale and purchase of the Sale Shares and the Offer. The Offeror is a legal person which may establish one or more segregated portfolios. Wade Investment SP1, as a segregated portfolio of the Offeror, is not a legal entity. Any action of Wade Investment SP1 shall be taken by the Offeror acting on behalf of and for the account of Wade Investment SP1. The Offeror is principally engaged in investment holding and managed by Austen Capital in its capacity as the manager.

As at the Latest Practicable Date, the authorised share capital of the Offeror comprises one management share which carries voting rights and participating shares which do not carry voting rights. The participating shares may be issued in respect of different segregated portfolios, and participating shares of any segregated portfolio may be further divided into classes and series at the discretion of the directors of the Offeror. As at the Latest Practicable Date, (i) there are two classes of participating shares attributable to Wade Investment SP1 (being a segregated portfolio of the Offeror) – Class 1A participating shares (“**Class 1A Shares**”) and Class 1B participating shares (“**Class 1B Shares**”); (ii) the management share is owned by Austen Capital and the Class 1A Shares are owned approximately 13.33% by Spirit age Technology Limited and 86.67% by Wonder Ladies Limited; and (iii) there is currently no holder of Class 1B Shares.

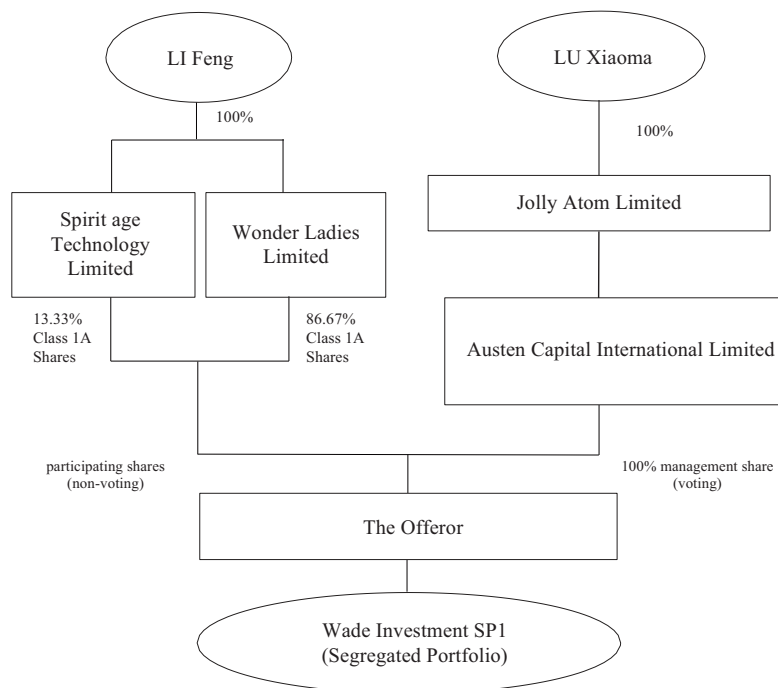
Spirit age Technology Limited is a company incorporated in Hong Kong. Wonder Ladies Limited is a company incorporated in the British Virgin Islands. Both of them are principally engaged in international trading and wholly owned by Mr. Li Feng. Mr. Wang Zhibao is the sole director of Spirit age Technology Limited. Mr. Li Feng is the sole director of Wonder Ladies Limited. Mr. Li Feng is a businessman principally engaged in the technology sector, covering internet, e-commerce, semiconductor, and software. He is the founder of Shenzhen Jinglianglongqing Network Technology Limited\* (深圳市京糧隆慶網絡科技有限公司) and involved in its management.

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## LETTER FROM ALTUS CAPITAL

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For illustration purpose only, set out below is a diagram showing the structure of the Offeror as at the Latest Practicable Date:



Austen Capital is a company incorporated in Hong Kong with limited liability. It is licensed to carry out Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO.

Austen Capital is principally engaged in the investment advisory and/or management of private equity investment, listed company investment, venture capital investment, and real estate and special opportunity investment. As at the Latest Practicable Date, the directors and responsible officers of Austen Capital are Mr. Lu, Ms. Jiang Shanshan, and Mr. Chan Kin Wah Kenneth. The directors of the Offeror are Mr. Lu and Ms. Jiang Shanshan. Austen Capital is wholly owned by Jolly Atom Limited, a company incorporated in the British Virgin Islands, which is wholly owned by Mr. Lu. Mr. Lu is also the sole director of Jolly Atom Limited.

A brief biography of Mr. Lu is set out below:

Mr. Lu Xiaoma, aged 58, has more than 20 years of experience in investment, financing, and strategic mergers and acquisitions. Apart from being a director and a responsible officer of Austen Capital, he is currently an independent director of Helpport AI Limited (Stock Code: HAPI) (a company listed on Nasdaq) since August 2024 and an independent non-executive director of Forgame Holdings Limited (Stock Code: 00484) (a company listed on the Main Board of the Stock Exchange) since October 2020.

Mr. Lu was a managing partner of East Stone Capital Limited Partners (深圳前海東方弘遠資產管理有限公司\*), an investment management company focusing on cross-border opportunities, from January 2018 to September 2024, where he was primarily responsible for

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## LETTER FROM ALTUS CAPITAL

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overall management and project sourcing. Mr. Lu was the chief executive officer of East Stone Acquisition Corporation from February 2020 to November 2022, where he was primarily responsible for acquisition target sourcing and compliance.

Mr. Lu was previously an independent director of BOC International (China) Co., Ltd\* (中銀國際證券股份有限公司) (Stock Code: 601696) (a company listed on the Shanghai Stock Exchange) from October 2018 to December 2024 and NWTN, Inc (Stock Code: NWTN) (a company listed on Nasdaq) from November 2022 to December 2024, respectively.

He graduated with a bachelor's degree and a master's degree in Thermal Engineering from Tsinghua University\* (清華大學) in 1988 and 1993, respectively, and a master's degree in business administration from Boston College (波士頓學院) in 1999.

### 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 IV “General Information of the Group” to this Composite Document, respectively.

### INTENTIONS OF THE OFFEROR IN RELATION TO THE GROUP

Following the completion of the Offer, the Offeror intends to continue the Group's focus on consumer products and has no intention to scale down the existing businesses. Mr. Samson Fung and Mr. Fung Kar Chue Alexander, both being executive Directors, are expected to continue their employment at the existing subsidiaries of the Company. The Offeror also notes that the Group's revenue increased in HY2024/2025, as compared with HY2023/2024, and such increase was driven by broad-based revenue growth across the printing, food and daily necessities and restaurant operation segments. Notwithstanding the aforesaid, the current business climate is in flux, largely due to geopolitical factors which are likely to have macro effects on global economy (including Hong Kong). The strained trade relationships between China and the United States, the conflicts in Ukraine and the Middle East, and the trade tariffs imposed by the United States recently, have all resulted in substantial uncertainties to the global economic environment and may impact the demand for the Group's apparel labels and packaging printing products going forward. The Offeror considers that the effect of these external factors on the Company's revenue may exhibit a degree of latency and the recent US tariff policies may affect printing order volumes in the forthcoming financial year and will closely monitor and assess its business performance.

Subject to a review of market demand, business environment and climate, and conditions going forward, the Offeror, whilst intending to continue the existing principal businesses, will likely deploy more resources into growing the Group's E-cigarette business segment of the Group. Based on the Offeror's review of the “Management Discussion and Analysis – Industry Overview” section in the annual report of Smoore International Holdings Limited (Stock Code: 6969), (being a global leader in offering atomization technology solutions, including manufacturing vaping devices and vaping components for heat-not-burn products) published on 11 April 2025 (the “**Smoore Annual Report**”), the Offeror noted that the industry remains in a stage of robust growth. As stated in the Smoore Annual Report,

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## LETTER FROM ALTUS CAPITAL

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according to the independent market research report issued by industry consultant, Frost & Sullivan, in March 2025, the global vaping device market size increased at a compound growth rate of approximately 12.9% at ex-factory prices from 2020 to 2024, and is expected to increase at an estimated compound growth rate of approximately 9.3% from US\$12,444.9 million in 2024 to US\$19,435.0 million in 2029.

A feature of the E-cigarette sector is that it operates under increasing regulatory scrutiny globally, with ongoing updates to policy frameworks. Some countries have adopted a complete ban on E-cigarettes (as in the case of Hong Kong where only transshipment in compliance with regulations are permitted), some countries permit the import of E-cigarettes provided the products comply with local regulatory requirements (as is the case with the USA where the Food and Drug Administration has regulations on this) and in some cases, import of products are permitted provided they do not target youth. In the case of New Zealand, where the Company has commenced its sales in February 2025, it is noted that, in March 2025, New Zealand introduced smokeless laws requiring E-cigarette sellers to notify the Ministry of Health to be recognised as regulated product sellers.

Nevertheless, given that the global vaping device market size is expected to increase at an estimated compound growth rate of approximately 9.3% from US\$12,444.9 million in 2024 to US\$19,435.0 million in 2029, the Offeror believes that this sector is worth more consideration as a growth opportunity for the Company's business given that it is more easily scalable (with appropriate distribution networks and means of regulatory compliance) as compared to other existing business segments, and, if appropriately scaled, is believed to be able to facilitate the business development of the Group.

As at the Latest Practicable Date, the Offeror has no plan to inject any assets or businesses into the Group or to procure the Group to acquire or dispose of any assets.

The Offeror has no intention to terminate any employment of the employees of the Group or to make significant changes to any employment or to dispose of or reallocate the Group's assets which are not in the ordinary and usual course of business of the Group. However, the Offeror reserves the right to make such changes that it deems necessary or appropriate to the Group's business and operations to optimize the value of the Group.

The Offeror is managed by Austen Capital and given the asset management and business experience of Mr. Lu in cross border investment opportunities, the Offeror intends to work closely with the Directors and senior management of the Company from time to time to drive both customer and shareholder value. Having assumed director roles in various listed companies in Hong Kong and the United States, both Mr. Lu and Ms. Geffner have extensive experience in management of international businesses. Please refer to the section headed "INFORMATION ON THE OFFEROR" in the "Letter from Altus Capital" in this Composite Document for a brief biography of Mr. Lu, and the section headed "PROPOSED CHANGE OF COMPOSITION OF THE BOARD" in the "Letter from Altus Capital" in this Composite Document for a brief biography of Ms. Geffner. Mr. Lu's experience with the US markets from his time there, coupled with his China business experience, enhances the Group's understandings of both markets which in turn facilitates informed decision making and better risk assessment for business opportunities. Ms. Geffner has recently worked in Dorsett Hospitality International Services Limited, which is part of Far East Consortium

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## LETTER FROM ALTUS CAPITAL

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International Limited (Stock Code: 035), a Hong Kong listed company, and therefore can contribute her experience in the development and marketing profile of a Hong Kong listed company. Besides, it is expected that Mr. Samson Fung and Mr. Fung Kar Chue Alexander will remain as directors or management of the principal subsidiaries engaging in the printing, food and daily necessities, and restaurant operation business, ensuring continuity in management.

### PROPOSED CHANGE OF COMPOSITION OF THE BOARD

As at the Latest Practicable Date, the Board is made up of five Directors, comprising three executive Directors, namely, Mr. Samson Fung, Mr. David Fung and Mr. Fung Kar Chue Alexander and two independent non-executive Directors, namely, Ms. Fung Po Yee and Dr. Sung Ting Yee.

It is intended that all Directors will resign from a date which is no earlier than such date as permitted under Rule 7 of the Takeovers Code (i.e. after the close of the Offer). As at the Latest Practicable Date, the Offeror intends to nominate Mr. Lu Xiaoma and Ms. Xin Yue Jasmine Geffner as executive Directors with effect on the date of posting of this Composite Document. Any changes to the members of the Board will be made in compliance with the Takeovers Code and the Listing Rules and further announcement(s) will be made as and when appropriate.

Please refer to the section headed “INFORMATION ON THE OFFEROR” in the “Letter from Altus Capital” in this Composite Document for a brief biography of Mr. Lu. A brief biography of Ms. Geffner is set out below:

Ms. Xin Yue Jasmine Geffner, aged 53, has more than 20 years of experience in management, financing, fund raising and mergers and acquisitions. Ms. Geffner is currently an independent director of Aureus Greenway Holdings Inc. (Stock Code: AGH) and Helpport AI Limited (Stock Code: HAPI), respectively, both of which are companies listed on Nasdaq. The principal business of Aureus Greenway Holdings Inc. is managing the operation of public golf country clubs in Florida, USA, while the principal business of Helpport AI Limited is developing and delivering AI-powered software and digital platforms for enterprise customer contact centers.

Ms. Geffner had served as Chief Financial Officer of various listed companies, including (i) Dorsett Hospitality International Services Limited (part of Far East Consortium International Limited (Stock Code: 035), a company listed on the Main Board of the Stock Exchange) from February 2019 to March 2025; (ii) GreenTree Hospitality Group Limited (Stock Code: GHG), a company listed on the New York Stock Exchange, from October 2017 to December 2018; and (iii) Carnival Group International Holdings Limited (Stock Code: 0996), a company listed on the Main Board of the Stock Exchange before its delisting on 7 December 2023, from August 2014 to March 2016. She served as the vice president in charge of corporate finance and development in Asia Pacific with LeEco from October 2016 to August 2017. Apart from the aforementioned work experiences, Ms. Geffner also has experiences working in regional and international banks such as ANZ Hong Kong, HSBC and Crédit Agricole.

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## LETTER FROM ALTUS CAPITAL

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Ms. Geffner received a bachelor's degree in international marketing and finance from Baruch College at the City University of New York in February 1994 and an MBA degree from the Stern School of Business at New York University in September 1997. She is a Certified Public Accountant (CPA) of the American Institute of Certified Public Accountants and the Hong Kong Institute of Certified Public Accountants, and a Chartered Financial Analyst (CFA).

Ms. Geffner was previously an independent director of NWTN Inc. (Stock Code: NWTN) (a company listed on Nasdaq) from November 2022 to December 2024, Tristar Acquisition I Corp. (Stock Code: TRIS) (a company listed on the New York Stock Exchange) from August 2023 to August 2024, and China Finance Online Co. Limited (Stock Code: JRJC) (a company listed on Nasdaq) from May to November 2021, respectively.

The Company will publish an announcement in respect of the appointment of Mr. Lu and Ms. Geffner as executive Directors after posting of this Composite Document. Please refer to the said announcement for further details of Mr. Lu and Ms. Geffner.

### **PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY**

The Offeror has no intention to privatise the Company and intends the Company to remain listed 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, are held by the public or if the Stock Exchange believes that:

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

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

Therefore, it should be noted that upon close of the Offer, there may be insufficient public float of the Shares and the trading in the Shares may be suspended until sufficient public float exists in the Shares. The directors of the Offeror and the new Directors to be appointed to the Board of the Company on the date of posting of this Composite Document will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Company's Shares.

For the avoidance of doubt, the Offer Shares to be tendered by the Independent Shareholders upon valid acceptance of the Offer will be retained by the Offeror. In case there is less than 25% of the Shares held by the public following the close of the Offer, the Offeror will place down the Shares held by it in order to ensure that there will be 25% of the issued Shares held by the public.



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## LETTER FROM ALTUS CAPITAL

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### 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, the directors of Austen Capital, the sole director of each of Jolly Atom Limited, Spirit age Technology Limited and Wonder Ladies Limited, Altus Capital, 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,  
For and behalf of  
**Altus Capital Limited**

**Arnold Ip**  
*Responsible Officer*

**Chang Sean Pey**  
*Responsible Officer*

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## LETTER FROM THE BOARD

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### **HANG SANG (SIU PO) INTERNATIONAL HOLDING COMPANY LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 3626)**

*Executive Directors:*

Mr. FUNG Man Wai Samson

*(Chairman and Chief Executive Officer)*

Mr. FUNG Man Kam *(Senior Vice President)*

Mr. FUNG Kar Chue Alexander *(Vice President)*

*Registered Office:*

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Independent Non-executive Directors:*

Ms. FUNG Po Yee

Dr. SUNG Ting Yee

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

Block C, 5/F.,

Gee Hing Chang Industrial Building

No. 16 Cheung Yue Street

Cheung Sha Wan

Kowloon

Hong Kong

26 May 2025

*To the Independent Shareholders,*

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY  
ALTUS INVESTMENTS LIMITED  
ON BEHALF OF THE OFFEROR ACTING FOR AND ON BEHALF OF WADE  
INVESTMENT SP1  
TO ACQUIRE ALL THE ISSUED SHARES OF  
HANG SANG (SIU PO) INTERNATIONAL HOLDING COMPANY LIMITED  
(OTHER THAN THOSE SHARES  
ALREADY OWNED AND/OR AGREED TO BE ACQUIRED BY  
THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT)**

### **INTRODUCTION**

References are made to (i) the Joint Announcement in relation to, among other things, the Sale and Purchase Agreement and the Offer; (ii) the Special Dividend Announcement in relation to, among other things, the declaration and payment of the Special Dividend; (iii)



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## LETTER FROM THE BOARD

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the Poll Results Announcement in relation to the approval of the Shareholders on the declaration and payment of the Special Dividend; and (iv) the Completion Announcement in relation to, among other things, the Completion.

On 28 March 2025, the Offeror, the Seller and the Seller Guarantors entered into the Sale and Purchase Agreement, pursuant to which the Offeror has conditionally agreed to purchase, and the Seller has conditionally agreed to sell, the Sale Shares, being 138,000,000 Shares (representing 75% of the total issued Shares), for a total Consideration of HK\$195,000,000, equivalent to approximately HK\$1.413 per Sale Share. As disclosed in the Special Dividend Announcement, the Record Date of the Special Dividend was 30 April 2025. As disclosed in the Poll Results Announcement, the declaration and payment of the Special Dividend were approved by the Shareholders at the EGM held on 27 April 2025. Payment of the Special Dividend was made on 14 May 2025. Completion took place on 19 May 2025 after the Record Date and payment of the Special Dividend.

Immediately following the Completion, the Offeror and parties acting in concert with it owns 138,000,000 Shares (representing 75% of the total issued Shares). Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is therefore required to make a mandatory unconditional 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).

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 Altus Capital 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

The Independent Board Committee, comprising all independent non-executive Directors, namely Ms. Fung Po Yee and Dr. Sung Ting Yee, 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 Independent Financial Adviser has been appointed 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.

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.**

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## LETTER FROM THE BOARD

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### PRINCIPAL TERMS OF THE OFFER

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

**For each Offer Share ..... HK\$1.414 in cash**

Pursuant to the Takeovers Code, the Offer Price must not be lower than the purchase price per Sale Share payable by the Offeror to the Seller under the Sale and Purchase Agreement. The Offeror has therefore decided to set the Offer Price at HK\$1.414.

The Offer will be 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 attached to them, including the rights to receive in full all dividends and other distributions, if any, recommended, declared, made or paid by reference to a record date on or after the date on which the Offer is made, being the date of the despatch of this Composite Document. For the avoidance of doubt, the Special Dividend was already paid on 14 May 2025 to Shareholders whose names appear on the register of members of the Company on 30 April 2025 (i.e. the Record Date). The Company confirms that, as at the Latest Practicable Date, the Company does not have any dividend or distribution recommended, declared or made but unpaid and has no intention to make any distribution or declare dividends before the close of the Offer.

As at the Latest Practicable Date, the Company has 184,000,000 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 is unconditional in all respects and is not conditional upon acceptances being received in respect of a minimum number of Offer Shares.

### The Offer Price

The Offer Price of HK\$1.414 per Share represents:

- (a) a discount of approximately 85.42% to the closing price of HK\$9.700 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (b) a premium of approximately 34.67% over the closing price of HK\$1.050 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (c) a premium of approximately 99.15% over the closing price of HK\$0.710 per Share as quoted on the Stock Exchange on the Last Full Trading Day;
- (d) a premium of approximately 119.57% over the average closing price of HK\$0.644 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Full Trading Day;

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## LETTER FROM THE BOARD

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- (e) a premium of approximately 132.57% over the average closing price of approximately HK\$0.608 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Full Trading Day;
- (f) a premium of approximately 187.40% over the average closing price of approximately HK\$0.492 per Share as quoted on the Stock Exchange for the last thirty (30) consecutive trading days up to and including the Last Full Trading Day;
- (g) a premium of approximately 542.73% to the audited consolidated net asset value attributable to owners of the Company of approximately HK\$0.22 per Share as at 30 June 2024 calculated based on the information as set out in the Company's annual report for the year ended 30 June 2024 which was published on 30 October 2024; and
- (h) a premium of approximately 514.78% to the unaudited consolidated net asset value attributable to owners of the Company of approximately HK\$0.23 per Share as at 31 December 2024 calculated based on the information as set out in the Company's interim results announcement for the six months ended 31 December 2024 which was published on 28 February 2025.

### **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\$17.700 per Share on 17 April 2025 and HK\$0.270 per Share on 30 September and 2 October 2024, respectively.

### **Value of the Offer**

As at the Latest Practicable Date, there are 184,000,000 Shares in issue. On the basis of the Offer Price of HK\$1.414 per Offer Share, the entire issued share capital of the Company is valued at HK\$260,176,000. 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 46,000,000 Shares is subject to the Offer. Based on the Offer Price of HK\$1.414 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\$65,044,000.

### **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 Altus Capital" to this Composite Document and the accompanying Form of Acceptance.

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## LETTER FROM THE BOARD

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### INFORMATION ON THE GROUP

The Company is an investment holding 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 manufacturing and sale of apparel labels and packaging printing products, sale and distribution of food, daily necessities and utility products, restaurant operation and sales of E-cigarette products. As part of the diversification of its business to include more consumer products, the Company began the assessment of commercial opportunities in the third quarter of 2024. After much discussion and deliberation as well as on-site visits with potential suppliers and customers, a wholly-owned subsidiary, Alpha Six Three Limited was established in September 2024 and a branch was set up by Alpha Six Three Limited in New Zealand in November 2024 to carry out the sale and distribution of E-cigarettes. Such E-cigarette sales to and in New Zealand commenced in February 2025.

Set out below is certain financial information extracted from (i) the audited consolidated results of the Group for each of the two financial years ended 30 June 2023 and 2024 and (ii) the unaudited interim results for the six months ended 31 December 2024, as extracted from the annual report of the Company for the year ended 30 June 2024 and the interim report of the Company for the six months ended 31 December 2024, respectively.

|  | <b>For the six<br/>months ended<br/>31 December<br/>2024</b> | <b>For the year ended 30 June</b> |                  |
|--|--|-----------------------------------|------------------|
|  | <b>2024</b>  | <b>2024</b>                       | <b>2023</b>      |
|  | <i>HK\$'000</i>  | <i>HK\$'000</i>                   | <i>HK\$'000</i>  |
|  | <i>(unaudited)</i>   | <i>(audited)</i>                  | <i>(audited)</i> |
| <b>Revenue</b>                         | 46,902   | 70,028                            | 54,414           |
| <b>Profit/(loss) before income tax</b> | 1,870  | (2,404)                           | (26,323)         |
| <b>Income tax (expense)/credit</b>     | (165)  | 98                                | 358              |
| <b>Net profit/(loss)</b>               | 1,705  | (2,306)                           | (25,965)         |

The audited consolidated net assets of the Group attributable to owners of the Company as at 30 June 2024 were approximately HK\$40.3 million, equivalent to approximately HK\$0.22 per Share. The unaudited consolidated net assets of the Group attributable to owners of the Company as at 31 December 2024 were approximately HK\$41.9 million, equivalent to approximately HK\$0.23 per Share.

Further financial information and general information in relation to the Group are set out in Appendix II “Financial Information of the Group” and Appendix IV “General Information of the Group” to this Composite Document.

### Shareholding Structure of the Company

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

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## LETTER FROM THE BOARD

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|                          | As of the date of the Joint<br>Announcement and<br>immediately prior to<br>Completion |                          | Immediately after<br>Completion and as at the<br>Latest Practicable Date |                          |
|--------------------------|---|--------------------------|--|--------------------------|
|                          | <i>Number of<br/>Shares</i>   | <i>Approximate<br/>%</i> | <i>Number of<br/>Shares</i>  | <i>Approximate<br/>%</i> |
| <b>Shareholders</b>      |   |                          |  |                          |
| Offeror                  | –   | –                        | 138,000,000  | 75                       |
| Seller <i>(Note)</i>     | 138,000,000   | 75                       | –  | –                        |
| Independent Shareholders | 46,000,000  | 25                       | 46,000,000   | 25                       |
| <b>Total</b>             | <b>184,000,000</b>  | <b>100</b>               | <b>184,000,000</b>   | <b>100</b>               |

*Note:* The Seller is owned as to 62% by Mr. Samson Fung (the chairman, the chief executive officer and an executive Director) and 38% by Mr. David Fung (an executive Director), respectively, and both of them are the ultimate beneficial owners of the Seller. Save for Mr. Samson Fung and Mr. David Fung, none of the Directors held any Shares immediately prior to and after Completion and as at the Latest Practicable Date.

### INFORMATION ON THE OFFEROR

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

### INTENTIONS OF THE OFFEROR IN RELATION TO THE GROUP

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

Following the completion of the Offer, the Offeror intends to continue the Group’s focus on consumer products and has no intention to scale down the existing businesses. Mr. Samson Fung and Mr. Fung Kar Chue Alexander, both being executive Directors, are expected to continue their employment at the existing subsidiaries of the Company. The Offeror also notes that the Group’s revenue increased in HY2024/2025, as compared with HY2023/2024, and such increase was driven by broad-based growth across the printing, food and daily necessities and restaurant operation segments. Notwithstanding the aforesaid, the current business climate is in flux, largely due to geopolitical factors which are likely to have macro effects on global economy (including Hong Kong). The strained trade relationships between China and the United States, the conflicts in Ukraine and the Middle East, and the trade tariffs imposed by the United States recently, have all resulted in substantial uncertainties to global economic environment and may impact the demand for the Group’s apparel labels and packaging printing products going forward. The Offeror notes that the effect of these external factors on the Company’s revenue may exhibit a degree of latency and the recent US tariff policies may affect printing order volumes in the forthcoming financial year and will closely monitor and assess its business performance.

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## LETTER FROM THE BOARD

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Subject to a review of market demand, business environment and climate, and conditions going forward, the Offeror, whilst intending to continue the existing principal businesses, will likely deploy more resources into growing the Group's E-cigarette business segment of the Group. Based on the Offeror's review of the "Management Discussion and Analysis – Industry Overview" section in the annual report of Smoore International Holdings Limited (Stock Code: 6969) (being a global leader in offering atomization technology solutions, including manufacturing vaping devices and vaping components for heat- not-burn products) published on 11 April 2025, the Offeror noted that the industry remains in a stage of robust growth. As stated in the Smoore Annual Report, according to the independent market research report issued by industry consultant, Frost & Sullivan, in March 2025, the global vaping device market size increased at a compound growth rate of approximately 12.9% at ex-factory prices from 2020 to 2024, and is expected to increase at an estimated compound growth rate of approximately 9.3% from US\$12,444.9 million in 2024 to US\$19,435.0 million in 2029.

A feature of the E-cigarette sector is that it operates under increasing regulatory scrutiny globally, with ongoing updates to policy frameworks. Some countries have adopted a complete ban on E-cigarettes (as in the case of Hong Kong where only transshipment in compliance with regulations are permitted), some countries permit the import of E-cigarettes provided the products comply with local regulatory requirements (as is the case with the USA where the Food and Drug Administration have regulations on this) and in some cases, import of products are permitted provided they do not target youth. In the case of New Zealand, where the Company has commenced its sales in February 2025, it is noted that, in March 2025, New Zealand introduced smokeless laws requiring E-cigarette sellers to notify the Ministry of Health to be recognised as regulated product sellers.

Nevertheless, given that the global vaping device market size is expected to increase at an estimated compound growth rate of approximately 9.3% from US\$12,444.9 million in 2024 to US\$19,435.0 million in 2029, the Offeror believes that this sector is worth more consideration as a growth opportunity for the Company's business given that it is more easily scalable (with appropriate distribution networks and means of regulatory compliance) as compared to other existing business segments, and, if appropriately scaled, is believed to be able to facilitate the business development of the Group.

As at the Latest Practicable Date, the Offeror has no plan to inject any assets or businesses into the Group or to procure the Group to acquire or dispose of any assets.

The Offeror has no intention to terminate any employment of the employees of the Group or to make significant changes to any employment or to dispose of or reallocate the Group's assets which are not in the ordinary and usual course of business of the Group. However, 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 Offeror is managed by Austen Capital and given the asset management and business experience of Mr. Lu in cross border investment opportunities, the Offeror intends to work closely with the Directors and senior management of the Company from time to time to drive both customer and shareholder value. Having assumed director roles in various listed companies in Hong Kong and the United States, both Mr. Lu and Ms. Geffner have

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## LETTER FROM THE BOARD

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extensive experience in management of international businesses. Please refer to the section headed “INFORMATION ON THE OFFEROR” in the “Letter from Altus Capital” in this Composite Document for a brief biography of Mr. Lu, and the section headed “PROPOSED CHANGE OF COMPOSITION OF THE BOARD” in the “Letter from Altus Capital” in this Composite Document for a brief biography of Ms. Geffner. Mr. Lu’s experience with the US markets from his time there, coupled with his China business experience, enhances the Group’s understandings of both markets which in turn facilitates informed decision making and better risk assessment for business opportunities. Ms. Geffner has recently worked in Dorsett Hospitality International Services Limited, which is part of Far East Consortium International Limited (Stock Code: 035), a Hong Kong listed company and therefore can contribute her experience in the development and marketing profile of a Hong Kong listed company. Besides, it is expected that Mr. Samson Fung and Mr. Fung Kar Chue Alexander will remain as directors or management of the principal subsidiaries engaging in the printing, food and daily necessities, and restaurant operation business, ensuring continuity in management.

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.

### **Proposed Change of Composition of the Board**

Your attention is drawn to the section headed “PROPOSED CHANGE OF COMPOSITION OF THE BOARD” in the “Letter from Altus Capital” of the Composite Document.

As at the Latest Practicable Date, the Board is made up of five Directors, comprising three executive Directors, namely, Mr. Samson Fung, Mr. David Fung and Mr. Fung Kar Chue Alexander and two independent non-executive Directors, namely, Ms. Fung Po Yee and Dr. Sung Ting Yee.

It is intended that all Directors will resign from a date which is no earlier than such date as permitted under Rule 7 of the Takeovers Code (i.e. after the close of the Offer).

As at the Latest Practicable Date, the Directors were aware of the Offeror’s intention to nominate Mr. Lu Xiaoma and Ms. Xin Yue Jasmine Geffner as executive Directors with effect on the date of posting of this Composite Document. Any changes to the members of the Board will be made in compliance with the Takeovers Code and the Listing Rules and further announcement(s) will be made as and when appropriate.

The Company will publish an announcement in respect of the proposed appointment of Mr. Lu and Ms. Geffner as executive Directors after posting of this Composite Document. Please refer to the said announcement for further details of Mr. Lu and Ms. Geffner. A brief biography of each of Mr. Lu and Ms. Geffner is also available at the sections headed “INFORMATION ON THE OFFEROR” and “PROPOSED CHANGE OF COMPOSITION OF THE BOARD” in “Letter from Altus Capital” of this Composite Document.



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## LETTER FROM THE BOARD

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### **Public Float and Maintaining the Listing Status of the Company**

The Offeror has no intention to privatise the Company and intends the Company to remain listed 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, are held by the public or if the Stock Exchange believes that:

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

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

Therefore, it should be noted that upon close of the Offer, there may be insufficient public float of the Shares and the trading in the Shares may be suspended until sufficient public float exists in the Shares. The directors of the Offeror and the new Directors to be appointed to the Board of the Company on the date of posting of this Composite Document will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Company's Shares.

For the avoidance of doubt, the Offer Shares to be tendered by the Independent Shareholders upon valid acceptance of the Offer will be retained by the Offeror. In case there is less than 25% of the Shares held by the public following the close of the Offer, the Offeror will place down the Shares held by it in order to ensure that there will be 25% of the issued Shares held by the public.

### **RECOMMENDATION**

Your attention is drawn to (i) "Letter from Altus Capital" as set out on pages 8 to 19 of this Composite Document, (ii) "Letter from the Independent Board Committee" as set out on pages 30 to 31 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 32 to 59 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.



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## LETTER FROM THE BOARD

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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.

By Order of the Board of  
**Hang Sang (Siu Po) International  
Holding Company Limited**  
**Fung Man Wai Samson**  
*Chairman, Chief Executive Officer and  
Executive Director*

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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### HANG SANG (SIU PO) INTERNATIONAL HOLDING COMPANY LIMITED

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 3626)**

26 May 2025

*To the Independent Shareholders*

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY  
ALTUS INVESTMENTS LIMITED  
ON BEHALF OF THE OFFEROR ACTING FOR AND ON  
BEHALF OF WADE INVESTMENT SP1  
TO ACQUIRE ALL THE ISSUED SHARES OF  
HANG SANG (SIU PO) INTERNATIONAL HOLDING COMPANY 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 26 May 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 the 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.

BaoQiao Partners Capital Limited, 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 the Composite Document.

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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We also wish to draw your attention to the “Letter from Altus Capital”, the “Letter from the Board” and the additional information set out in the appendices to the 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 fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend that the Independent Shareholders 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 the Composite Document and the accompanying Form of Acceptance.

Yours faithfully,

For and on behalf of the Independent Board Committee of  
**Hang Sang (Siu Po) International Holding Company Limited**

**Ms. Fung Po Yee**

*Independent non-executive Director*

**Dr. Sung Ting Yee**

*Independent non-executive Director*

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*The following is the full text of the letter of advice from BaoQiao Partners Capital Limited to the Independent Board Committee in respect of the Offer which has been prepared for the purpose of inclusion in this Composite Document.*



BAOQIAO PARTNERS

### BAOQIAO PARTNERS CAPITAL LIMITED

Room C01, 26/F, United Centre,  
95 Queensway, Admiralty, Hong Kong

26 May 2025

*To the Independent Board Committee of Hang Sang (Siu Po) International Holding Company Limited*

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY  
ALTUS INVESTMENTS LIMITED  
ON BEHALF OF THE OFFEROR ACTING FOR AND ON BEHALF OF  
WADE INVESTMENT SP1  
TO ACQUIRE ALL THE ISSUED SHARES OF  
HANG SANG (SIU PO) INTERNATIONAL HOLDING COMPANY 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 engagement as the Independent Financial Adviser to advise the Independent Board Committee in relation to the Offer. Our aforesaid appointment has been approved by the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code. Details of the Offer are set out in the letter from the Board (the “**Letter from the Board**”) contained in the Composite Document dated 26 May 2025 jointly issued by the Offeror and the Company 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 otherwise specified.

References are made to (i) the Joint Announcement in relation to, among others, the Sale and Purchase Agreement and the Offer; (ii) the Special Dividend Announcement in relation to, among other things, the declaration and payment of the Special Dividend; (iii) the Poll Results Announcement in relation to the approval of the Shareholders on the declaration and payment of the Special Dividend and (iv) the Completion Announcement in relation to, among other things, the Completion.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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On 28 March 2025, the Offeror, the Seller and the Seller Guarantors entered into the Sale and Purchase Agreement, pursuant to which the Offeror has conditionally agreed to purchase, and the Seller has conditionally agreed to sell, the Sale Shares, being 138,000,000 Shares (representing 75% of the total issued Shares), for a total Consideration of HK\$195,000,000, equivalent to approximately HK\$1.413 per Sale Share. As disclosed in the Special Dividend Announcement, the Record Date of the Special Dividend was 30 April 2025. As disclosed in the Poll Results Announcement, the declaration and payment of the Special Dividend were approved by the Shareholders at the EGM held on 27 April 2025. Payment of the Special Dividend was made on 14 May 2025. Completion took place on 19 May 2025 after the Record Date and payment of the Special Dividend.

Immediately following the Completion, the Offeror and parties acting in concert with it owns 138,000,000 Shares (representing 75% of the total issued Shares). Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is therefore required to make a mandatory unconditional 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). Altus Investments is making the Offer on behalf of the Offeror.

### THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee (comprising all independent non-executive Directors, namely Ms. Fung Po Yee and Dr. Sung Ting Yee, who have no direct or indirect interest in the Offer), has been established by the Company in accordance with Rules 2.1 and 2.8 of the Takeovers Code to give recommendation to the Independent Shareholders as to whether the Offer is fair and reasonable and as to acceptance of the Offer.

We, BaoQiao Partners Capital Limited, have been appointed as the Independent Financial Adviser by the Company 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.

### OUR INDEPENDENCE

In the two years prior to the Latest Practicable Date, we have not acted in any capacity in relation to any transactions of the Company. As at the Latest Practicable Date, we do not have any relationship with, or have any interest in, the Company, the Offeror, their respective controlling shareholders, or any party acting, or presumed to be acting, in concert with any of them that could reasonably be regarded as relevant to our independence. Apart from the normal professional fees payable to us in connection with this appointment as the Independent Financial Adviser, no other arrangement exists whereby we had received or will receive any fees or benefits from the Company, the Offeror, their respective controlling shareholders, or any party acting, or presumed to be acting, in concert with any of them. As such, we consider that we are independent and can act as the Independent Financial Adviser under Rule 2.1 of the Takeovers Code and Rule 13.84 of the Listing Rules.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### BASIS OF OUR OPINION

In formulating our opinion and recommendation, we have relied on the statements, information, opinions and representations contained or referred to in the Composite Document and the information, opinions and representations provided to us by the management of the Company (the “**Management**”), the Company, the Offeror and their respective professional advisers. We have reviewed, among others, the annual report of the Company for FY2024 (the “**2024 Annual Report**”), the interim report of the Company for HY2024/2025 (the “**2024/25 Interim Report**”) and other information, representations and opinions as contained or referred to in the Composite Document and those provided by the Management, the Company, the Offeror and their respective professional advisers.

We have assumed that all information and representations that have been provided by the Management, the Company, the Offeror and their respective professional advisers for which they are solely and wholly responsible, were true, accurate and complete in all material respects and not misleading or deceptive at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and representations made by the Management, the Company, the Offeror and their respective professional advisers in the Composite Document and/or discussed with/provided to us were reasonably made after due enquiries and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Composite Document, or the reasonableness of the opinions expressed by the Management, the Company, the Offeror and their respective professional advisers, which have been provided to us.

As disclosed in Appendix IV of the Composite Document, the Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Composite Document (other than the information 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 the Composite Document (other than the opinions expressed by the directors of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in the Composite Document, the omission of which would make any statement in the Composite Document misleading.

As disclosed in Appendix III of the Composite Document, the directors of the Offeror, the directors of Austen Capital, and the sole director of each of Jolly Atom Limited, Spirit age Technology Limited and Wonder Ladies Limited, jointly and severally accept full responsibility for the accuracy of the information contained in the Composite Document (other than the information relating to the Group, the Seller and the Seller Guarantors), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in the Composite Document (other than the opinions expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in the Composite Document, the omission of which would make any statement in the Composite Document misleading.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs, financial condition and future prospects of the Group. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. The Company will notify the Independent Shareholders of any material change to information contained in 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 is any material change to the information contained in or referred to herein as well as any changes to our opinion, if any, after the Latest Practicable Date.

We have not considered the taxation implication, if any, on the Independent Shareholders as a result of the acceptance or non-acceptance of the Offer. 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, Independent Shareholders who are subject to Hong Kong or overseas taxation on dealings in securities are urged to seek their own professional advisers on tax matters.

This letter is issued for the information of the Independent Board Committee solely in connection with their consideration of the matters relating to the Offer, and, except for its inclusion in the Composite Document, and for publication on the websites of the SFC ([www.sfc.hk](http://www.sfc.hk)), the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company (<http://www.hangsangpress.com>) as required under the Takeovers Code and the Listing Rules, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

### PRINCIPAL FACTORS AND REASONS TAKEN INTO CONSIDERATION ON THE OFFER

In arriving at our opinion and recommendation in respect of the Offer, we have taken into consideration the following principal factors and reasons:

#### 1. Information on the Group

The Company is an investment holding 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 manufacturing and sale of apparel labels and packaging printing products, sale and distribution of food, daily necessities and utility products, restaurant operation and sales of E-cigarette products. The Group commenced restaurant operation business in Hong Kong since February 2024 after the acquisition of 91% shareholding interest in a cafe operating company in Hong Kong from an independent third party (the “Acquisition”).

We note in the Joint Announcement and the 2024/25 Interim Report that the Group began the assessment of commercial opportunities of E-cigarettes business in the third quarter of 2024 as part of the diversification of the Group’s business to include more consumer products. The sale of E-cigarettes has commenced in February 2025 in New Zealand.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

### 2. Financial information of the Group

Set out below is a summary of the audited consolidated financial information of the Group for FY2024 and FY2023 as extracted from the 2024 Annual Report and the unaudited consolidated financial information of the Group for HY2024/2025 and the HY2023/2024 as extracted from the 2024/25 Interim Report:

|  | <b>FY2024</b><br><i>HK\$'000</i><br><i>(Audited)</i> | <b>FY2023</b><br><i>HK\$'000</i><br><i>(Audited)</i> | <b>HY2024/2025</b><br><i>HK\$'000</i><br><i>(Unaudited)</i>  | <b>HY2023/2024</b><br><i>HK\$'000</i><br><i>(Unaudited)</i>        |
|--|--|--|--|--|
| Revenue  |  |  |  |  |
| – Printing – sale of apparel labels and packaging printing products                                  | 48,299   | 45,398   | 28,361   | 20,271   |
| – Food and daily necessities – sale and distribution of food, daily necessities and utility products | 15,901   | 9,016  | 10,169   | 8,106  |
| – Restaurant operation – revenue from catering services  | 5,828  | –  | 8,372  | –  |
|  | <b>70,028</b>  | <b>54,414</b>  | <b>46,902</b>  | <b>28,377</b>  |
| Gross profit   | 20,669   | 9,398  | 16,118   | 8,388  |
| Gross profit margin  | 29.5%  | 17.3%  | 34.4%  | 29.6%  |
| Profit/(loss) attributable to owners of the Company  | (2,395)  | (25,965)   | 1,596  | (3,387)  |
|  |  |  | <b>As at<br/>30 June<br/>2024<br/>HK\$'000<br/>(Audited)</b> | <b>As at<br/>31 December<br/>2024<br/>HK\$'000<br/>(Unaudited)</b> |
| <b>Total assets</b>  |  |  | 68,002   | 70,183   |
| <b>Total liabilities</b>   |  |  | 27,583   | 28,223   |
| <b>Net assets attributable to owners of the Company</b>  |  |  | 40,298   | 41,894   |



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### *Financial performance of the Group*

For FY2023, FY2024 and HY2024/2025, the Group's revenue is derived from three business segments, namely (i) Printing – sale of apparel labels and packaging printing products, which accounted for over 60% of the Group's revenue for the respective years/period, (ii) Food and daily necessities – sale and distribution of food, daily necessities and utility products; and (iii) Restaurant operation – catering services. For FY2023, FY2024 and HY2024/2025, over 30% of the Group's revenue was generated in Hong Kong, with additional contributions from South Korea, Vietnam, Taiwan, the United States, the People's Republic of China (the “PRC”), Indonesia, India, Bangladesh, Macau, El Salvador and other regions.

A new sale of E-cigarette products segment (the “**E-cigarette Business**”) was formed in November 2024 as disclosed in 2024/25 Interim Report and minimal pre-operating costs were recorded for HY2024/2025. It commenced sales in New Zealand in February 2025.

### ***FY2023 vs FY2024***

The Group's revenue increased by approximately 28.7% to approximately HK\$70.0 million in FY2024, compared to approximately HK\$54.4 million in FY2023. Revenue from printing segment was approximately HK\$48.3 million, representing an increase of approximately HK\$2.9 million or approximately 6.4% year-on-year, driven by the increase in printing customer orders. Revenue from the sale and distribution of food, daily necessities and utility products surged by approximately HK\$6.9 million or approximately 76.7%, to approximately HK\$15.9 million in FY2024 from approximately HK\$9.0 million in FY2023, reflecting growth of the customer base from online distribution to supply for products to restaurants in Hong Kong. Additionally, revenue generated by the new business segment of restaurant operation in Hong Kong was approximately HK\$5.8 million for FY2024 following the Acquisition in February 2024.

For FY2024, the Group's gross profit increased by approximately HK\$11.3 million or approximately 120.2% to approximately HK\$20.7 million, with gross profit margin of approximately 29.5% in FY2024 as compared to approximately 17.3% in FY2023, representing a year-on-year increase of approximately 12.2 percentage points. As disclosed in the 2024 Annual Report and as advised by the Management, the improvement of both gross profit and gross profit margin was mainly due to a combination of factors, which include the increase in overall revenue for FY2024, the improved pricing and operational efficiency in existing segments through the implementation of cost containment measures, including but not limited to the disposal of unutilised plant and machinery in FY2024 and relatively higher margin of the new restaurant operation in Hong Kong as compared to existing segments.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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The Group reported a significant reduction in loss attributable to owners of the Company for FY2024, from approximately HK\$26.0 million for FY2023 to approximately HK\$2.4 million for FY2024. As disclosed in the 2024 Annual Report, this improvement was primarily attributable to (i) the absence of impairment losses on non-financial assets of the printing segment in FY2024, which amounted to approximately HK\$9.1 million in FY2023; (ii) the recognition of a one-off gain of approximately HK\$4.4 million from the disposal of property, plant, and equipment in FY2024; and (iii) the aforementioned gross profit growth of the Group for FY2024.

### ***HY2023/2024 vs HY2024/2025***

For HY2024/2025, the Group's revenue increased by approximately 65.1% to approximately HK\$46.9 million, compared to approximately HK\$28.4 million for HY2023/2024, driven by broad-based growth across all operating segments. In particular, revenue from the printing segment increased by approximately 39.9% or approximately HK\$8.1 million due to the increased sales orders. Meanwhile, revenue from the food and daily necessities segment rose by approximately 25.9% or approximately HK\$2.1 million resulting from an expanded product range and a growing customer base as mentioned above. The new restaurant operations segment contributed approximately HK\$8.4 million, which accounted for approximately 17.9% of the total revenue for HY2024/2025. For HY2024/2025, E-cigarettes business segment was formed by the Group in November 2024 but no revenue was generated during HY2024/2025.

The Group's gross profit for HY2024/2025 increased by approximately HK\$7.7 million, or about 91.7%, to approximately HK\$16.1 million from approximately HK\$8.4 million in HY2023/2024 and the gross profit margin improved by approximately 4.8 percentage points to approximately 34.4% for HY2024/2025 from approximately 29.6% in HY2023/2024. The growth momentum continued for HY2024/2025 following the introduction of the new restaurant operation segment in Hong Kong in FY2024 and the enhanced pricing and operational efficiencies in existing segments as disclosed in the 2024/25 Interim Report.

The Group reported a turnaround in profit attributable to owners of the Company of approximately HK\$1.6 million for HY2024/2025 compared to a loss of approximately HK\$3.4 million for HY2023/2024. Such turnaround was primarily attributable to the aforementioned gross profit growth of the Group, which was partially offset by the increase in administrative and other operating expenses of approximately HK\$1.7 million in HY2024/2025 which was primarily due to the increase in depreciation on property, plant and equipment and right-of-use assets resulting from the consolidation of the new restaurant operation business as well as the increase in salaries and professional fees resulting from new segments consolidated into the Group.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### *Financial position of the Group*

As at 31 December 2024, the Group's total assets were approximately HK\$70.2 million compared to approximately HK\$68.0 million as at 30 June 2024, which mainly comprised cash and cash equivalents of approximately HK\$34.9 million, property, plant, and equipment of approximately HK\$11.9 million, goodwill arising from the Acquisition of approximately HK\$9.4 million and trade and other receivables of approximately HK\$8.8 million as at 31 December 2024.

As at 31 December 2024, the Group's total liabilities were approximately HK\$28.2 million as compared to approximately HK\$27.6 million as at 30 June 2024, which mainly comprised lease liabilities and trade and other payables of approximately HK\$14.7 million and approximately HK\$12.4 million respectively as at 31 December 2024. The Company had no bank or other borrowings as at either 31 December 2024 or 30 June 2024.

Net assets attributable to owners of the Company increased by approximately HK\$1.6 million from approximately HK\$40.3 million as at 30 June 2024 to approximately HK\$41.9 million as at 31 December 2024, due primarily to the profit attributable to owners of the Company of approximately HK\$1.6 million for HY2024/2025.

### *Special Dividend*

We note that the Company proposed to declare a Special Dividend (i.e. HK\$0.108 per Share) to the Shareholders in the amount of approximately HK\$20 million on 11 April 2025 and the Record Date was 30 April 2025. The Offer Price would remain unchanged if the Special Dividend is approved by the Shareholders at the EGM. As disclosed in the Special Dividend Announcement, the Record Date of the Special Dividend was 30 April 2025. As disclosed in the Poll Results Announcement, the declaration and payment of the Special Dividend were approved by the Shareholders at the EGM held on 27 April 2025. Payment of the Special Dividend was made on 14 May 2025. The Company confirms that, as at the Latest Practicable Date, the Company does not have any dividend or distribution recommended, declared or made but unpaid and has no intention to make any distribution or declare dividends before the close of the Offer.

As disclosed in the Special Dividend Announcement, the Special Dividend has been paid in cash to the Shareholders out of the share premium account of the Company on 14 May 2025. Consequently, the cash and bank balances of the Group have been reduced.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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However, we understand from the Management that there is no fixed dividend policy and the declaration and payout of the interim/final dividend would depend on the financial results and financial position of the Group of the respective year/period and the market conditions.

Independent Shareholders are strongly recommended to read the entire letter, in particular, the section headed “Recommendation” below, in considering whether or not to accept the Offer.

### *Statement of Material Change*

We refer to the statement of material change (“**Statement of Material Change**”) under the section headed “4. Material Change” of Appendix II to the Composite Document and we note that based on the unaudited consolidated management accounts of the Group for eight months ended 28 February 2025 (“**8M2024/25**”) with comparative figures for the eight months ended 29 February 2024 (“**8M2023/24**”),

- (a) the Group’s revenue for 8M2024/25 increased by approximately 59% to approximately HK\$63.6 million as compared to approximately HK\$40.1 million for 8M2023/24 due to (i) increases in sale of apparel labels and packaging printing products, sale and distribution of food, daily necessities and utility products; (ii) commencement of restaurant operation following the completion of acquisition of 91% of issued share capital of Sky Honor Holdings Limited on 29 February 2024 (the “**Commencement of Restaurant Operation**”); and (iii) commencement of E-cigarette sales in February 2025 (together, the “**Business Developments**”);
- (b) the Group’s gross profit for 8M2024/25 increased by approximately 77% to approximately HK\$23.0 million as compared to approximately HK\$13.0 million for 8M2023/24, mainly due to (i) increases in sale of apparel labels and packaging printing products; and (ii) Commencement of Restaurant Operation;
- (c) the Group’s profit attributable to owners of the Company for 8M2024/25 increased by approximately 152% to approximately HK\$2.6 million as compared to approximately HK\$1.0 million for 8M2023/24, mainly attributable to increase in the Group’s revenue and gross profit as mentioned above, as partially offset by decrease in the Group’s other income and increase in the Group’s administrative and other operating expenses;
- (d) along with the Business Developments, the Group’s inventories, trade and other receivables as at 28 February 2025 increased as compared to those as at 30 June 2024; and
- (e) the Company paid the Special Dividend on 14 May 2025.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Based on our review of the Statement of Material Change and our discussion with the Management, we consider, along with the Business Developments, the improvement in the Group's financial results for 8M2024/25 as compared to 8M2023/24 as mentioned above, aligns with our financial analysis for FY2024 and HY2024/2025.

### 3. Outlook of the Group

As disclosed in the 2024/25 Interim Report, increased global economic uncertainties and escalation of trade conflicts impacted the global market continually. The global retail market, including the apparel market, was seriously affected. As a result, the demand for apparel labels and packaging printing products fluctuate correspondingly. In response to these challenging market conditions, the Group will focus on enhancing its sales efforts, improving production quality, strengthening internal controls, and implementing stringent cost control measures to effectively navigate the difficult global environment. We understand from the Management that the Group has proven track record in the printing business and it has established a solid customer base. As discussed in section headed "2. Financial Information of the Group" in this letter, we note that the printing segment reported growth in both revenue and gross margin for FY2024 and HY2024/2025 as a result of the increase in orders placed by the printing customers.

Based on our discussion with the Management, the production of the Group's printing business is in Hong Kong. Its customers are mostly garment manufacturers across Southeast Asia, South Korea, India etc. The purchase of products aiming to be ultimately used as labels on or packaging materials for finished garments of the garment brand companies most of which are based in the United States.

The strained trade relations between China and the United States, commencing in 2018, followed by the conflicts in Ukraine and the Middle East, and most recently, the imposition of new US tariffs, have created a highly unstable global environment, significantly impacting the apparel market and, consequently, the demand for apparel labels and packaging printing products. While we note that the revenue of the printing segment increased during both FY2024 and HY2024/2025, we understand from the Management that the impact of these global factors on the Company's printing revenue may exhibit a degree of latency, which the recent US tariff policies may affect printing order volumes in the forthcoming financial year.

In order to diversify and strengthen its business foundation, the Group extended its business footprint into the sale and distribution of food, daily necessities, and utility products in March 2021 and restaurant operation in March 2024. It is considered that these business segments involved daily needs with steady market demand can bring stable cashflow to the Group. Based on the analysis in the section headed "2. Financial Information of the Group" of this letter, we note these business segments have generated a stable return to the Group for the recent financial periods even though food and beverage industry in Hong Kong is still experiencing a challenging economic climate.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Further, as part of the diversification of its business to include more consumer products, the Company began the assessment of commercial opportunities in the third quarter of 2024 and the Group formed a new business segment in relation to sale and distribution of E-cigarette in New Zealand in November 2024. Sale of E-cigarette was commenced in February 2025. We also note that the Offeror will, whilst intending to continue the existing principal business, likely deploy more resources into growing the E-cigarette Business segment of the Group and the Offeror considers that the E-cigarette Business, if, appropriately scaled, is believed to be able to facilitate the business development of the Group.

Based on our review of the annual report ("**Smoore Annual Report**") for the year ended 31 December 2024 of Smoore International Holdings Limited ("**Smoore**") (Stock Code: 6969) being a global leader in offering atomization technology solutions, including manufacturing vaping devices and vaping components for heat-not-burn products and listed on the Stock Exchange with largest operation (in terms of both revenue and market capitalisation) in e-cigarettes business, issued on 11 April 2025 on the website of the Stock Exchange, we note that the industry remains in a stage of robust growth and according to the independent market research report issued by industry consultant, Frost & Sullivan, in March 2025 ("**March 2025 Research Report**"), the global vaping device market size increased at a compound growth rate of approximately 12.9% at ex-factory prices from 2020 to 2024, and is expected to increase at an estimated compound growth rate of approximately 9.3% from US\$12,444.9 million in 2024 to US\$19,435.0 million in 2029. In addition, we note that the revenue of Smoore increased from approximately RMB11,203.3 million for the year ended 31 December 2023 to approximately RMB11,798.7 million for the year ended 31 December 2024. We have also reviewed the 2024 financial results of the two international tobacco companies engaged in the e-cigarettes business, namely Imperial Brands PLC, a company listed on London Stock Exchange, and Philip Morris International, a company listed on New York Stock Exchange and we note that in 2024, (i) the net revenue of the NGP (next generation products) segment (the segment in relation to e-cigarettes) of Imperial Brands PLC grew by 24% on a constant currency basis and it represents cumulative growth over the four years since 2020 of 64%; and (ii) Philip Morris International reported approximately 14.17% growth in its smoke-free business (business in relation to e-cigarettes), which accounted for approximately 38.7% of its total net revenues in 2024. Furthermore, as announced by Philip Morris International in September 2023, it is Philip Morris International's business strategy to become a substantially smoke-free company, with over two-thirds of its total net revenues generated from smoke-free products.

It is essential to acknowledge that the e-cigarette sector operates under strict regulatory scrutiny globally, with ongoing updates to policy frameworks. Increasingly, nations are implementing regulations aimed at protecting youth, safeguarding the environment, ensuring product safety, and addressing taxation issues. For example, New Zealand, where the Group commences its sales of e-cigarettes in February 2025, has implemented various regulations that retailers of vaping and other notifiable products are required to comply with, which includes, among others, safety and legal requirements of vaping substances, nicotine concentration, child-safety mechanisms, device features and prohibitions on free, discounted and bundled distribution or supply of vaping products etc. and in March 2025, New Zealand also introduced smokeless laws requiring e-cigarette sellers to notify the Ministry of Health to be recognised as regulated product sellers. Similarly, a law change in Australia in July



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2024 banned all non-therapeutic electronic cigarette sales. Furthermore, a press release from the World Health Organization on 14 December 2023 revealed that 34 countries have imposed bans on the sales of e-cigarettes and we also note that the Government of Hong Kong has published the Tobacco Control Legislation (Amendment) Bill 2025 in the Gazette in April 2025 for the implementation of the new phase of tobacco control measures, which include, among others, the prohibition of the possession of alternative smoking products, which is going to take effect on 30 April 2026.

As abovementioned, we note that the global e-cigarette market faces more stringent regulations while the sector's growth potential remains promising as indicated in the March 2025 Research Report as well as the advancements made by international tobacco companies in the e-cigarette business. However, as the Company's E-cigarette Business is still in its early stages, it is uncertain whether this initiative will further contribute to the diversification of the Company's source of income as well as to its profitability. Based on the above, we consider that the Group has business plans in place to support the stable growth of its existing businesses and take advantage of opportunities on the new business ventures. In addition, it is the Offeror's intention to continue the Group's existing businesses and is likely to deploy more resources into the new E-cigarette Business.

Furthermore, despite the expected changes in the composition of the Board and the new Directors, notwithstanding their experiences in regional and international financial markets, have no relevant experience in the Group's existing businesses, we note that Mr. Samson Fung and Mr. Fung Kar Chue Alexander, both being the executive Directors but will resign from a date which is no earlier than such date as permitted under Rule 7 of the Takeovers Code (i.e. after the close of the Offer) are expected to continue their employment at the existing subsidiaries of the Company under the same terms of their existing contracts, ensuring continuity in the management of the Group's existing businesses.

Thus, there appears no material concern of the Offeror introducing radical changes to the Group which may materially alter the prevailing status and situations of the Group.

However, it is crucial to note that the current business landscape is undergoing significant changes, largely driven by geopolitical factors. These changes are poised to have substantial implications for the global economy, including Hong Kong. Heightened trade tensions between China and the United States, conflicts in Ukraine and the Middle East, and the recent implementation of US trade tariffs have all contributed to a climate of uncertainty that could affect the demand for the Group's largest business segment – apparel labels and packaging printing products moving forward. While the businesses of the sale and distribution of food, daily necessities, and utility products and restaurant operation in Hong Kong contributed to stable growth in revenue of the Group in recent financial periods, the food and beverage industry in Hong Kong faces a challenging economic climate. Additionally, the Company's E-cigarette Business is still in its early stages, with uncertain potential to diversify income sources and drive the business growth for the Group as a whole.

As such, we consider there is uncertainty as to the prospects and outlook of the businesses of the Group, as it will still require time to fully assess the impact to the Group's business in responses to the challenges it faces. We therefore advise Independent

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Shareholders not to rely solely on the analysis of the macroeconomic environment and the outlook of the Group presented in this section when considering whether or not to accept the Offer. Instead, we recommend referring to our comprehensive analysis that incorporate other factors as detailed in this letter, concluding in the section headed “Recommendation”.

#### 4. Background Information of the Offeror

##### *The Offeror*

The Offeror, Wade Investment SPC Ltd is a segregated portfolio company incorporated in the Cayman Islands with limited liability, acting for and on behalf of one of its segregated portfolios, Wade Investment SP1 (being an investment fund), in relation to the sale and purchase of the Sale Shares and the Offer. The Offeror is a legal person which may establish one or more segregated portfolios. Wade Investment SP1, as a segregated portfolio of the Offeror, is not a legal entity. Any action of Wade Investment SP1 shall be taken by the Offeror acting on behalf of and for the account of Wade Investment SP1. The Offeror is principally engaged in investment holding and managed by Austen Capital in its capacity as the manager.

As at the Latest Practicable Date, the authorised share capital of the Offeror comprises one management share which carries voting rights and participating shares which do not carry voting rights. The participating shares may be issued in respect of different segregated portfolios, and participating shares of any segregated portfolio may be further divided into classes and series at the discretion of the directors of the Offeror. As at the Latest Practicable Date, (i) there are two classes of participating shares attributable to Wade Investment SP1 (being a segregated portfolio of the Offeror) – Class 1A Shares and Class 1B Shares; (ii) the management share is owned by Austen Capital and the Class 1A Shares are owned approximately 13.33% by Spirit age Technology Limited and 86.67% by Wonder Ladies Limited; and (iii) there is currently no holder of Class 1B Shares.

Spirit age Technology Limited is a company incorporated in Hong Kong. Wonder Ladies Limited is a company incorporated in the British Virgin Islands. Both of them are principally engaged in international trading and wholly owned by Mr. Li Feng. Mr. Wang Zhibao is the sole director of Spirit age Technology Limited. Mr. Li Feng is the sole director of Wonder Ladies Limited. Mr. Li Feng is a businessman principally engaged in the technology sector, covering internet, e-commerce, semiconductor, and software. He is the founder of Shenzhen Jinglianglongqing Network Technology Limited\* (深圳市京糧隆慶網絡科技有限公司) and involved in its management.

Austen Capital is a company incorporated in Hong Kong with limited liability. It is licensed to carry out Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO. Austen Capital is principally engaged in the investment advisory and/or management of private equity investment, listed company investment, venture capital investment and real estate and special opportunity investment. As at the Latest Practicable Date, the directors and responsible officers of Austen Capital are Mr. Lu Xiaoma, Ms. Jiang Shanshan and Mr. Chan Kin Wah Kenneth. The directors of the Offeror are Mr. Lu Xiaoma and Ms. Jiang Shanshan.



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Austen Capital is wholly owned by Jolly Atom Limited, a company incorporated in the British Virgin Islands, which is wholly owned by Mr. Lu Xiaoma. Mr. Lu Xiaoma is also the sole director of Jolly Atom Limited.

Mr. Lu Xiaoma, aged 58, has more than 20 years of experience in investment, financing and strategic mergers and acquisitions. Apart from being a director and a responsible officer of Austen Capital, he is currently an independent director of Helport AI Limited (Stock Code: HAPI) (a company listed on Nasdaq) since August 2024 and an independent non-executive director of Forgame Holdings Limited (Stock Code: 00484) (a company listed on the Main Board of the Stock Exchange) since October 2020. Mr. Lu Xiaoma was a managing partner of East Stone Capital Limited Partners (深圳前海東方弘遠資產管理有限公司\*), an investment management company focusing on cross-border opportunities, from January 2018 to November 2024, where he was primarily responsible for overall management and project sourcing. Further, Mr. Lu Xiaoma was the chief executive officer of East Stone Acquisition Corporation from February 2020 to September 2022, where he was primarily responsible for acquisition target sourcing and compliance.

Mr. Lu was previously an independent director of BOC International (China) Co., Ltd\* (中銀國際證券股份有限公司) (Stock Code: 601696) (a company listed on the Shanghai Stock Exchange) from October 2018 to December 2024 and NWTN, Inc (Stock Code: NWTN) (a company listed on Nasdaq) from November 2022 to October 2024, respectively.

He graduated with a bachelor's degree and a master's degree in Thermal Engineering from Tsinghua University\* (清華大學) in 1988 and 1993, respectively, and a master's degree in business administration from Boston College (波士頓學院) in 1999.

Further information on the shareholding structure of the Offeror and the Company is set out in Letter from Altus Capital in the Composite Document.

### ***Intentions of the Offeror in relation to the Group***

As disclosed in the Letter from Altus Capital in the Composite Document, following the completion of the Offer, the Offeror intends to continue the Group's focus on consumer products and has no intention to scale down the existing businesses. Mr. Samson Fung and Mr. Fung Kar Chue Alexander, both being executive Directors, are expected to continue their employment at the existing subsidiaries of the Company. The Offeror also notes that the Group's revenue increased in HY2024/2025, as compared with HY2023/2024, and such increase was driven by broad-based revenue growth across the printing, food and daily necessities and restaurant operation segments. Notwithstanding, the current business climate is in flux, largely due to geopolitical factors which are likely to have macro effects on economics globally (including Hong Kong). The strained trade relationships between China and the United States, the conflicts in Ukraine and the Middle East, and the trade tariffs imposed by the United States recently, have all resulted in substantial uncertainties to the global economic environment and may impact the demand for the Group's apparel labels and

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packaging printing products going forward. The Offeror considers that the effect of these external factors on the Company's revenue may exhibit a degree of latency and the recent US tariff policies may affect printing order volumes in the forthcoming financial year and will closely monitor and assess its business performance.

Subject to a review of market demand, business environment and climate, and conditions going forward, the Offeror, whilst intending to continue the existing principal businesses, likely deploy more resources into growing the Group's E-cigarette business segment of the Group. Based on the Offeror's review of the "Management Discussion and Analysis – Industry Overview" section of Smoore Annual Report published on 11 April 2025, the Offeror noted that the industry remains in a stage of robust growth. As stated in the Smoore Annual Report, according to the independent market research report issued by industry consultant, Frost & Sullivan, in March 2025, the global vaping device market size increased at a compound growth rate of approximately 12.9% at ex-factory prices from 2020 to 2024, and is expected to increase at an estimated compound growth rate of approximately 9.3% from US\$12,444.9 million in 2024 to US\$19,435.0 million in 2029.

A feature of the E-cigarette sector is that it operates under increasing regulatory scrutiny globally, with ongoing updates to policy frameworks. Some countries have adopted a complete ban on E-cigarettes (as in the case of Hong Kong where only transshipment in compliance with regulations are permitted), some countries permit the import of E-cigarettes provided the products comply with local regulatory requirements (as is the case with the USA where the Food and Drug Administration has regulations on this) and in some cases, import of products are permitted provided they do not target youth. In the case of New Zealand, where the Company has commenced its sales in February 2025, it is noted that, in March 2025, New Zealand introduced smokeless laws requiring E-cigarette sellers to notify the Ministry of Health to be recognised as regulated product sellers.

Nevertheless, given that the global vaping device market size is expected to increase at an estimated compound growth rate of approximately 9.3% from US\$12,444.9 million in 2024 to US\$19,435.0 million in 2029, the Offeror believes that this sector is worth more consideration as a growth opportunity for the Company's business given that it is more easily scalable (with appropriate distribution networks and means of regulatory compliance), as compared to other existing business segments, and, if appropriately scaled, is believed to be able to facilitate the business development of the Group.

As at the Latest Practicable Date, the Offeror has no plan to inject any assets or businesses into the Group or to procure the Group to acquire or dispose of any assets.

The Offeror also has no intention to terminate any employment of the employees of the Group or to make significant changes to any employment or to dispose of or reallocate the Group's assets which are not in the ordinary and usual course of business of the Group. However, the Offeror reserves the right to make such changes that it deems necessary or appropriate to the Group's business and operations to optimize the value of the Group.

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The Offeror is managed by Austen Capital and given the asset management and business experience of Mr. Lu in cross border investment opportunities, the Offeror intends to work closely with the Directors and senior management of the Company from time to time to drive both customer and shareholder value. Having assumed director roles in various listed companies in Hong Kong and the United States, both Mr. Lu and Ms. Geffner have extensive experience in management of international businesses. Mr. Lu's experience with the US markets from his time there, coupled with his China business experience, enhances the Group's understandings of both markets which in turn facilitates informed decision making and better risk assessment for business opportunities. Ms. Geffner has recently worked in Dorsett Hospitality International Services Limited, which is part of Far East Consortium International Limited (Stock Code: 035), a Hong Kong listed company and therefore can contribute her experience in the development and marketing profile of a Hong Kong listed company. Besides, it is expected that Mr. Samson Fung and Mr. Fung Kar Chue Alexander will remain as directors or management of the principal subsidiaries engaging in the printing, food and daily necessities, and restaurant operation business, ensuring continuity in management.

We have reviewed the Offeror's view on the Group's businesses and as discussed in the section headed "3. Outlook of the Group" in this letter, given the complexity of the macroeconomic situation and considering the E-cigarette Business is still in the early stages, we hold a cautious view to the outlook of the Group. We also recommend the Independent Shareholders to refer to our analysis on the business outlook and prospect of the Group as detailed in the section headed "3. Outlook of the Group".

### ***Proposed Change of Composition of the Board***

As disclosed in the Letter from Altus Capital in the Composite Document, the Board is currently made up of five Directors, comprising three executive Directors, namely, Mr. Samson Fung, Mr. David Fung and Mr. Fung Kar Chue Alexander and two independent non-executive Directors, namely, Ms. Fung Po Yee and Dr. Sung Ting Yee. It is intended that all Directors will resign from a date which is no earlier than such date as permitted under Rule 7 of the Takeovers Code (i.e. after the close of the Offer).

As at the Latest Practicable Date, the Offeror intends to nominate Mr. Lu Xiaoma and Ms. Xin Yue Jasmine Geffner as executive Directors with effect on the date of posting of the Composite Document. Any changes to the members of the Board will be made in compliance with the Takeovers Code and the Listing Rules and further announcement(s) will be made as and when appropriate.

Please refer to the section headed "INFORMATION ON THE OFFEROR" and the "PROPOSED CHANGE OF COMPOSITION OF THE BOARD" in the "Letter from Altus Capital" in the Composite Document for a brief biography of each of Mr. Lu Xiaoma and Ms. Xin Yue Jasmine Geffner.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### *Intention of the Offeror to maintain the listing of the Company*

As disclosed in the Letter from Altus Capital in the Composite Document, the Offeror has no intention to privatise the Company and intends the Company to remain listed 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.

Therefore, it should be noted that upon close of the Offer, there may be insufficient public float of the Shares and the trading in the Shares may be suspended until sufficient public float exists in the Shares. The directors of the Offeror and the new Directors to be appointed to the Board of the Company on the date of posting of the Composite Document will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Company's Shares.

For the avoidance of doubt, the Offer Shares to be tendered by the Independent Shareholders upon valid acceptance of the Offer will be retained by the Offeror. In case there is less than 25% of the Shares held by the public following the close of the Offer, the Offeror will place down the Shares held by it in order to ensure that there will be 25% of the issued Shares held by the public.

Based on the above, we note that the Company's listing status will be maintained and the Independent Shareholders who do not accept the Offer will continue to be able to trade their Shares on market after the close of the Offer.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### 5. Analysis of the Offer Price

To assess the fairness and reasonableness of the Offer Price, we have considered the following factors.

#### *Offer Price Comparison*

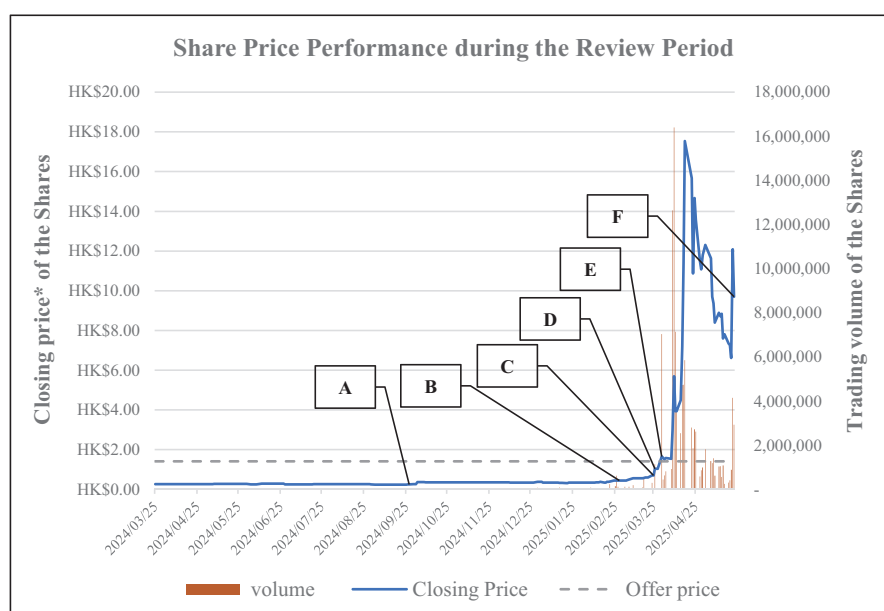
The Offer Price of HK\$1.414 per Offer Share represents:

- (a) a discount of approximately 85.42% to the closing price of HK\$9.700 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (b) a premium of approximately 34.67% over the closing price of HK\$1.050 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (c) a premium of approximately 99.15% over the closing price of HK\$0.710 per Share as quoted on the Stock Exchange on the Last Full Trading Day;
- (d) a premium of approximately 119.57% over the average closing price of HK\$0.644 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Full Trading Day;
- (e) a premium of approximately 132.57% over the average closing price of approximately HK\$0.608 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Full Trading Day;
- (f) a premium of approximately 187.40% over the average closing price of approximately HK\$0.492 per Share as quoted on the Stock Exchange for the last thirty (30) consecutive trading days up to and including the Last Full Trading Day;
- (g) a premium of approximately 542.73% to the audited consolidated net asset value attributable to owners of the Company of approximately HK\$0.22 per Share as at 30 June 2024 calculated based on the information as set out in the Company's annual report for the year ended 30 June 2024 which was published on 30 October 2024; and
- (h) a premium of approximately 514.78% to the unaudited consolidated net asset value attributable to owners of the Company of approximately HK\$0.23 per Share as at 31 December 2024 calculated based on the information as set out in the Company's interim results announcement for the six months ended 31 December 2024 which was published on 28 February 2025.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

### *Historical price movement of the Shares*

Set out below is the movement of the closing prices of the Shares as quoted on the Stock Exchange during the period from 25 March 2024 (being the date one year prior to the Last Full Trading Day) and the Last Trading Day (26 March 2025) (the “**Pre-Announcement Period**”) and the period from 31 March 2025, being the first trading day after the Joint Announcement was published, up to and including the Latest Practicable Date (the “**Post-Announcement Period**”) (collectively, the “**Review Period**”). We are of the view that the price performance of the Shares during the Review Period can sufficiently and fairly reflect the market perception on the Company’s performance and outlook and effects of certain events, which may be relevant to our analysis, all closing prices under this section (Historical price movement of the Shares) are on ex-dividend basis for price comparison purpose.



Source: the website of the Stock Exchange

\* on ex-dividend basis.

| Date              | Key Events  |
|-------------------|---|
| 27 September 2024 | (A) Annual results announcement of the Company for FY2024   |
| 28 February 2025  | (B) Interim results announcement of the Company for HY2024/2025                                     |
| 25 March 2025     | (C) Last Full Trading Day   |
| 26 March 2025     | (D) Last Trading Day  |
| 31 March 2025     | (E) the first trading day after the publication of the Joint Announcement and Resumption of Trading |
| 23 May 2025       | (F) Latest Practicable Date   |

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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During the Review Period, the highest closing price was HK\$17.535 per Share on 17 April 2025, while the lowest closing price was HK\$0.239 per Share recorded from 2 September 2024 to 23 September 2024. The average closing price per Share throughout the Review Period was approximately HK\$1.316. The Offer Price represented a discount of approximately 91.94% relative to the highest closing price and a premium of approximately 7.45% relative to the average closing price during the Review Period.

### ***Pre-Announcement Period***

From the beginning of the Review Period in late March 2024 to the Last Full Trading Day, the Shares closed at prices ranging from HK\$0.239 per Share, recorded from 2 September 2024 to 23 September 2024, to HK\$0.703 per Share on 24 and 25 March 2025, with an average closing price of approximately HK\$0.322 per Share.

The closing prices of the Shares exhibited relative stability during the early phase of the Pre-Announcement Period, fluctuating within a range of HK\$0.239 to HK\$0.287. Notably, from 2 September 2024 until 23 September 2024, the price remained at HK\$0.239 per Share, marking the lowest level recorded during the period. This stability continued until 27 September 2024, when the Company published its annual results announcement for FY2024, prompting a brief upward adjustment. Subsequently, the Shares entered into another stable phase, fluctuating between HK\$0.317 and HK\$0.446 until 28 February 2025, when the release of the interim results of the Company for HY2024/2025 catalyzed a sustained upward trajectory in the Shares' price. As confirmed with the Management, they were unaware of any factors other than the interim results contributing to the upward trend in Share prices. The rally continued until the Last Full Trading Day and the Last Trading Day, with the closing price of the Share reaching HK\$0.703 and HK\$1.040, respectively.

The Offer Price is higher than the closing prices of the Shares during the Pre-Announcement Period.

### ***Post-Announcement Period***

Trading in the Shares was suspended from 1:00 p.m. on 26 March 2025 to 30 March 2025 pending the publication of the Joint Announcement. Following the resumption of trading on 31 March 2025, the market reacted strongly to the Joint Announcement, leading to a substantial increase in the Share price, which rose from HK\$1.040 to HK\$1.654 per Share on 31 March 2025. In the subsequent days, the closing price remained relatively stable, fluctuating within the range of HK\$1.516 to HK\$1.595. Commencing from 8 April 2025, the closing Share prices surged sharply to HK\$2.962 and HK\$5.696 on 9 April 2025, and continued to increase over the following two weeks, reaching the highest of HK\$17.535 per Share as at 17 April 2025. Following this period, the closing price of the Shares declined, reaching HK\$6.620 as at 21 May 2025. Subsequently, the closing price of the Shares increased to HK\$12.080 on 22 May 2025, and decreased to HK\$9.700 as at the Latest Practicable Date. Based on our discussion with the Management, they are unaware of any other factors contributing to the fluctuations in Share prices beyond the announced Offer and Special Dividend.



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Shareholders should note that the Share price movement following the publication of the Joint Announcement is likely to be driven by the Offer, as such, the sustainability of the current Share price level could be uncertain.

### *Historical trading liquidity of the Shares*

The following table sets out the average daily trading volume of the Shares for each month or period and the percentages of such average daily trading volume to the total number of Shares in issue and held by the public during the Review Period.

| Month/Period                            | Monthly<br>total<br>trading<br>volume | Number of<br>trading<br>days | Average<br>daily<br>trading<br>volume<br>(Note 1) | Percentage<br>of the<br>average<br>daily<br>trading<br>volume to<br>the total<br>number of<br>issued<br>Shares<br>(Note 2) | Percentage<br>of the<br>average<br>daily<br>trading<br>volume to<br>the total<br>number of<br>issued<br>Shares held<br>by the<br>public<br>(Note 3) |
|---|---------------------------------------|------------------------------|---|--|---|
| <b>2024</b>                             |                                       |                              |   |  |   |
| 25 March to 31 March                    | 0                                     | 4                            | 0   | 0.00%  | 0.00%   |
| April                                   | 12,000                                | 20                           | 600   | 0.00%  | 0.00%   |
| May                                     | 120,000                               | 21                           | 5,714   | 0.00%  | 0.01%   |
| June                                    | 120,000                               | 19                           | 6,316   | 0.00%  | 0.01%   |
| July                                    | 2,000                                 | 22                           | 91  | 0.00%  | 0.00%   |
| August                                  | 18,000                                | 22                           | 818   | 0.00%  | 0.00%   |
| September                               | 48,000                                | 19                           | 2,526   | 0.00%  | 0.01%   |
| October                                 | 12,000                                | 21                           | 571   | 0.00%  | 0.00%   |
| November                                | 0                                     | 21                           | 0   | 0.00%  | 0.00%   |
| December                                | 148,000                               | 20                           | 7,400   | 0.00%  | 0.02%   |
| <b>2025</b>                             |                                       |                              |   |  |   |
| January                                 | 220,000                               | 19                           | 11,579  | 0.01%  | 0.03%   |
| February                                | 1,272,000                             | 20                           | 63,600  | 0.03%  | 0.14%   |
| March                                   | 9,628,000                             | 21                           | 458,476   | 0.25%  | 1.00%   |
| April                                   | 72,856,680                            | 19                           | 3,834,562   | 2.08%  | 8.34%   |
| 1 May to the Latest Practicable<br>Date | 18,992,200                            | 15                           | 1,266,147   | 0.69%  | 2.75%   |

*Source: The website of the Stock Exchange*



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*Notes:*

1. Average daily trading volume is calculated by dividing the total trading volume for the month/period by the number of trading days in the respective month/period.
2. Percentage of average daily trading volume to the total number of issued Shares is calculated by dividing the average daily trading volume for the month/period by the total number of Shares in issue at the end of each month/period.
3. Percentage of average daily trading volume to the total number of issued Shares held by the public is calculated by dividing the average daily trading volume for the month/period by the total number of Shares in issue held by the Independent Shareholders as at the end of each month/period.

During the Review Period, the average daily trading volume of the Shares ranged between 0 Share and 3,834,562 Shares, representing approximately 0% to 2.08% of the total number of Shares in issue as at the end of the respective month/period, and approximately 0% to 8.34% of the total number of Shares held by public Shareholders as at the end of the respective month/period. We note that the daily trading volume of the Shares was zero for the majority of the time during the Pre-Announcement Period/ Review Period. The average daily trading volume of the Shares increased to 458,476 Shares, representing approximately 0.25% and 1 % of the total number of Shares in issue and held by public Shareholders for March 2025, in particular, after the publication of the Joint Announcement on 31 March 2025, the daily trading volume of the Shares surged to 7,032,000 Shares, representing approximately 3.82% and 15.29% of the total number of Shares in issue and held by public Shareholders.

We are of the view that the liquidity of the Shares during the Review Period had been thin. Such low level of liquidity might cause difficulty for the Independent Shareholders to dispose of their Shares in the market. Therefore, we consider that the Offer provides an assured exit alternative for the Independent Shareholders, to realise part or all of their investments in the Shares at the Offer Price of HK\$1.414 per Offer Share if they wish so.

### ***Comparison of Offer Price against NAV per Share***

The Offer Price of HK\$1.414 represents:

- (a) a premium of approximately 545.66% to the audited consolidated net asset value attributable to owners of the Company (“**NAV per Share**”) of approximately HK\$0.219 per Share as at 30 June 2024 calculated based on the information as set out in the Company’s annual results announcement for FY2024 which was published on 27 September 2024; and
- (b) a premium of approximately 520.18% to the unaudited consolidated NAV per Share of approximately HK\$0.228 per Share as at 31 December 2024 calculated based on the information as set out in the Company’s interim results announcement for HY2024/2025 which was published on 28 February 2025.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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In assessing the Offer Price against the NAV per Share, we have also considered the historical trading price vis-à-vis NAV, we note that the Shares had been consistently traded at premiums to the NAV per Share for a prolonged period of time. In particular, the premiums to NAV per Share at which the Shares were traded during the periods indicated below show that the trading price of the Shares does not have correlation to the change in the NAV:

| <b>Year/period end</b>                              | <b>NAV per Share</b><br><i>(Note 1)</i><br><i>HK\$</i> | <b>Average closing Share price</b><br><i>(Note 2)</i><br><i>HK\$</i> | <b>Premium to NAV per Share</b><br><i>(Note 3)</i> |
|---|--|--|--|
| For the financial year ended 30 June 2022           | 0.373  | 0.588  | 57.64%   |
| For the six months period ended<br>31 December 2022 | 0.308  | 0.505  | 63.96%   |
| FY 2023   | 0.232  | 0.314  | 35.34%   |
| HY 2023/2024  | 0.209  | 0.268  | 28.23%   |
| FY 2024   | 0.219  | 0.358  | 63.47%   |
| HY 2024/2025  | 0.228  | 0.589  | 158.33%  |
|   |  | <i>(Note 4)</i>  |  |

*Source: The website of the Stock Exchange; annual and interim results announcements of the Company*

*Notes:*

1. Calculated by dividing the audited/unaudited consolidated NAV as at the respective year/period end date as extracted from the respective annual/interim results announcement published by the Company by the number of Shares.
2. Representing the average closing Share price during the period from the trading day following the publication by the Company of its audited annual results or unaudited interim results announcement (as the case may be) to the trading day on which the subsequent unaudited interim results or audited annual results announcement (as the case may be) were published.
3. Representing the premium of the average closing Share price to the NAV per Share as at the respective year/ period end date.
4. Representing the average closing Share price during the period from 3 March 2025, being the trading day following the publication by the Company of its unaudited interim results announcement for HY2024/2025, to the Last Trading Day.

In addition, we noted that the Offer Price represented a premium of approximately 520.18% to the NAV per Share as at 31 December 2024.

Considering the Shares had been traded at premium to the NAV per Share for a prolonged period of time which implies that the market might not have valued the Shares solely with reference to the NAV per Share. Accordingly, in assessing the Offer Price, it would be appropriate to consider the premium represented by the Offer Price to the NAV per Share, along with other factors including but not limited to (i) the

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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financial performance and business prospects of the Group; (ii) Offer Price comparison to the historical and prevailing Share prices; (iii) the trading liquidity of the Shares; and (iv) comparison analysis with comparable companies of the Company; as set out in this letter, which form a more comprehensive analysis from the perspective of Independent Shareholders in considering their investment return in the Shares and whether or not to accept the Offer.

### *Comparable Companies analysis*

In assessing the fairness and reasonableness of the Offer Price, we have performed analysis of the valuation of the Group at the Offer Price compared with prevailing market valuation of other companies listed on the Stock Exchange that are engaged in similar businesses to those of the Group. As discussed in the section headed “2. Financial Information of the Group” above, the Group has four operating segments and the printing segment involving the manufacturing and sale of apparel labels and packaging printing products (including plastic packaging bags and packaging boxes) accounted for the majority of the Group’s revenue in both FY2023 and FY2024. Taking into account the nature of the business, we have conducted a comparable company analysis based on the following criteria to include companies that (i) were listed on the Main Board of the Stock Exchange as of the Latest Practicable Date; and (ii) derived 50% or more of their revenue from the manufacturing and sale of printing and plastic packaging products, during the last two financial years ((i) and (ii) together, the “**Selection Criteria**”).

Based on the aforementioned criteria, we identified an exhaustive list of 6 listed companies on the Main Board of the Stock Exchange which are principally engaged in the manufacturing and sales of paper and plastic packaging products (the “**Comparable Company(ies)**”). Although the packaging products manufactured by the Comparable Companies and the Company may not be exactly the same, they are all engaged in similar business activities. Given (i) the similarity in business nature of the Comparable Companies and the Company; and (ii) the sufficient number of Comparable Companies identified, we consider the list of Comparable Companies to be fair and representative.

Price-to-earnings ratio (“**P/E Ratio**”), price-to-book ratio (“**P/B Ratio**”) and price-to-sales ratio (“**P/S Ratio**”) are three of the most commonly used benchmarks for valuation of companies. Given (i) the nature of the Group’s largest business segment of manufacturing and sale of apparel labels and packaging printing products and the total assets of the Company mainly comprise of property, plant and equipment, goodwill, trade receivables and cash and that the P/B Ratio analysis is a commonly used approach for the valuation of companies which are reliant on their balance sheets in determining their earning power; (ii) the Group reported consolidated net loss attributable to the Shareholders for FY2023 and FY2024, P/E Ratio is not applicable for our analysis; and (iii) P/S Ratio is not applicable because it is usually only used to value start-up companies for which both the book value and earnings are insignificant or non-existing. As a result, P/B Ratio has been adopted as our primary benchmark for the purpose of the comparable company analysis.

Set out below is the summary of our market comparable analysis:

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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| No. | Company Name  | Principal Business(es)   | Market Capitalisation<br>(HK\$' million)<br>(Note 1) | P/B Ratio<br>(times)<br>(Note 2, 3) |
|-----|---|--|--|-------------------------------------|
| 1   | Starlite Holdings Limited (403)                       | The group is principally engaged in the printing and manufacturing of packaging materials, labels, and paper products, including environmental friendly products.  | 112.64   | 0.17                                |
| 2   | Hung Hing Printing Group Ltd (450)                    | The group is engaged in book and package printing; the consumer product packaging; the corrugated box; and the trading of paper.   | 916.94   | 0.32                                |
| 3   | Come Sure Group Holdings Ltd. (794)                   | The group principally engaged in manufacture and sale of corrugated board and corrugated paper-based packing products; and manufacture and sale of offset printed corrugated products.   | 61.25  | 0.12                                |
| 4   | Teamway International Group Holdings Limited (1239)   | The group principally engaged in the business of (i) design, manufacturing and sale of packaging products and structural components in the PRC; and (ii) trading of filtration media, equipment and related accessories for air purification; (iii) design, manufacturing, sale and marketing of rosewood home furniture and (iv) property investment. | 46.56  | (0.14)                              |
| 5   | Pacific Millennium Packaging Group Corporation (1820) | The group principally engaged in the manufacturing and sale of (i) corrugated packaging products including corrugated boxes, pallets, display stands, heavy duty packaging and specialised packaging products; and (ii) corrugated sheet boards in the PRC.  | 1503.16  | 2.65                                |
| 6   | Hop Fung Group Holdings Ltd (2320)                    | The group principally engaged in manufacturing and trading of containerboard – corrugating medium and linerboard and corrugated packaging – corrugated paper boards and carton boxes.  | 71.14  | 0.10                                |
|     |   |  | <b>Maximum</b>                                       | 2.65                                |
|     |   |  | <b>Minimum</b>                                       | 0.10                                |
|     |   |  | <b>Average</b>                                       | 0.67                                |
|     |   |  | <b>Median</b>  | 0.17                                |
|     | The Company (3626)                                    | The Group is principally engaged in manufacturing and sale of apparel labels and packaging printing products, sale and distribution of food, daily necessities and utility products, restaurant operation and sales of E-cigarette products.   | 260.18   | 6.21                                |

*Source: Bloomberg and the Stock Exchange*

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*Notes:*

1. Market capitalisation is calculated based on the closing share price and the number of shares in issue as at the Last Trading Day based on information from the website of the Stock Exchange. In the case of the Company, it is calculated based on the Offer Price.
2. Price-to-book ratio is calculated by dividing market capitalisation as described in Note 1 above by net asset value attributable to owners of the company reported in its latest annual report/ interim report, the net asset value attributable to owners of the companies in RMB are calculated based on the exchange rate of the median exchange rate published by the People's Bank of China on its website as at 31 December 2024: HKD 1 = RMB0.92604 for illustrate purpose only.
3. Teamway International Group Holdings Limited (Stock Code: 1239), with its negative P/B ratio, was considered as outlier and thus was excluded from the calculation of the Comparable Companies' maximum, minimum, average, and median P/B ratios.

As shown in the table above, the implied P/B Ratio of the Company (calculated using the Offer Price) of approximately 6.21 times is higher than the P/B Ratio of all the Comparable Companies, which ranged from the lowest of approximately 0.10 times to the highest of approximately 2.65 times.

We note that the theoretical market capitalisation of the Company implied by the Offer Price is HK\$260.18 million and the market capitalisation of the above Comparable Companies ranged from HK\$46.56 million to HK\$1,503.16 million, which are substantially different from that of the Company. Shareholders should note that due to the limited number of Comparable Companies (i.e. only 5 Comparable Companies excluding the outlier as shown in the above table) that meet the aforementioned Selection Criteria, we therefore include a wider range of market capitalisations of all 5 Comparable Companies in search for broader comparables.

We also note that, upon a closer examination of the two Comparable Companies, namely Starlite Holdings Limited (Stock Code: 403) and Hung Hing Printing Group Ltd. (Stock Code: 450), with market capitalisation between HK\$100 million to HK\$1,000 million, which are considered more comparable with respect to the market capitalisation of the Company, the implied P/B Ratio of the Company (calculated using the Offer Price) of approximately 6.21 times is higher than the P/B Ratio of these two Comparable Companies, which ranged from approximately 0.17 times to approximately 0.32 times.

On this basis, we are of the view that from a comparable analysis perspective, the Offer Price is fair and reasonable.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### RECOMMENDATION

In summary, in relation to the Offer, we have considered the below factors and reasons in reaching our conclusion and recommendations:

- (i) the Offer Price represents a premium of approximately 35.96% over the closing price of HK\$1.040 per Share as quoted on the Stock Exchange on the Last Trading Day and was higher than the closing prices of the Shares for the Pre-Announcement Period and majority of the time during the Review Period, represented a premium of approximately 336.42% and 7.45% to the average closing price during the Pre-Announcement Period and the Review Period respectively. Although the closing prices of the Shares have been above the Offer Price during the Post-Announcement Period, Shareholders should note that the Share price movement following the publication of the Joint Announcement is likely to be driven by the Offer and/or the Special Dividend, as such, the sustainability of the current Share price level could be uncertain;
- (ii) the trading of the Share has been thin during the Review Period the Independent Shareholders may find it difficult to dispose of a significant number of Shares in the open market without causing an adverse impact on the market price of the Shares, the Offer could provide the Shareholders with the certainty, particularly for those who hold a large volume of Shares, to realise part/all of their investments in the Company with certainty;
- (iii) notwithstanding that there are certain positive developments in the business and financial performance of the Group as discussed in the section headed “2. Financial Information of Group and “3. Outlook of the Group”, there is uncertainty as to the prospects and outlook of the businesses of the Group, given the complexity of the macroeconomic situation. Additionally, we note that the Offeror has no intention to scale down the existing businesses of the Group and is likely to deploy more resources into the E-cigarette Business, however, the E-cigarette Business is still in its early stages, with uncertain potential to diversify income sources and drive the business growth for the Group as a whole; and
- (iv) the implied P/B Ratio of the Company (calculated using the Offer Price) of approximately 6.21 times is higher than the P/B Ratio of all the Comparable Companies, which ranged from the lowest of approximately 0.10 times to the highest of approximately 2.65 times.

Having taken into account the above principal factors set out in this letter and summarised in the section headed “Recommendation” above, we consider that the Offer is fair and reasonable so far as the Independent Shareholders are concerned and, accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to accept the Offer.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Nevertheless, we would like to remind the Independent Board Committee to remind the Independent Shareholders to closely monitor the market price and liquidity of the Shares during the Offer Period, and for those Shareholders who are less optimistic about the outlook and future prospects of the Group and may wish to realise their investment, should having regard to their own circumstances and investment objectives, consider selling their Shares in the open market, should such sale proceeds, net of all transaction costs, exceed the amount receivable under the Offer. However, if the market price falls below the Offer Price towards the end of the Offer Period, they may then consider tendering all or part of their holdings to the Offer, should they still wish to realise their investment.

**As different Shareholders would have different investment criteria, objectives or risk appetite and profiles, we recommend any Shareholders 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  
**BaoQiao Partners Capital Limited**  
**Irene Poon**  
*Executive Director*

*Ms. Irene Poon is a responsible officer registered under the SFO to carry out Type 6 (advising on corporate finance) regulated activity for BaoQiao Partners Capital Limited and has over 20 years of experience in the accounting and corporate financial services industry.*



**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, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, in an envelope marked **"Hang Sang (Siu Po) International Holding Company 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 Altus Investments 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**

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 Closing Date, 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 the date of receipt of all relevant documents to render such acceptance complete and valid by the Registrar in accordance with the Takeovers Code.

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) 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. The Offer is unconditional.

- (b) 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.
- (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.

#### **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.

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 the Offeror and parties acting in concert with it before the Offer Period; and
- (iii) acquired or agreed to be acquired by the Offeror or any the Offeror and 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](http://www.hkexnews.hk)) and the Company ([www.hangsangpress.com](http://www.hangsangpress.com)).

## **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) 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 (b) below.
- (b) 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 Shareholder(s) withdraw their acceptance(s), the Offeror shall, as soon as possible but in any event no later than seven (7) Business Days thereof, return 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 Shares lodged with the Form of Acceptance to the relevant Independent Shareholder(s) by ordinary post.

In such case, when the Independent Shareholders withdraw their acceptances, the Offeror shall, as soon as possible but in any event within ten (10) 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**

For the avoidance of doubt, the Special Dividend was already paid on 14 May 2025 to Shareholders whose names appeared on the register of members of the Company on 30 April 2025 (i.e. the Record Date). As at the Latest Practicable Date, the Company has not declared any dividend which has not yet been distributed and the Company confirms that it does not intend to declare, make or pay any dividend or other distributions prior to the Closing Date.

Acceptance of the Offer by any Independent Shareholders will be deemed to constitute a warranty by such person that all the Shares sold by such person under the Offer are free from all Encumbrances together with all rights attached to them, including the rights to receive in full all dividends and other distributions, if any, recommended, declared, made or paid by reference to a record date 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 will be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code.

**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, there is no Overseas Shareholder.

**Acceptance of the Offer by any Overseas Shareholders will be deemed to constitute a representation and warranty from such Overseas Shareholders to the Offeror that all 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, the directors of Austen Capital, the sole director of each of Jolly Atom Limited, Spirit age Technology Limited and Wonder Ladies Limited, the Company, Altus Capital, any concert parties (and presumed concert parties) of any of them, the Independent Financial Adviser and the Registrar, or any of their respective agents or advisers or any of their respective directors, officers 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 if they are in any doubt 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, the directors of Austen Capital, the sole director of each of Jolly Atom Limited, Spirit age Technology Limited and Wonder Ladies Limited, Altus Capital, 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.
- (b) Acceptance of the Offer by any Independent Shareholder will constitute a warranty by such person to the Offeror and Altus Investments 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, if any, recommended, declared, made or paid by reference to a record date on or after the date on which the Offer is made.
- (c) Acceptance of the Offer by any nominee will be deemed to constitute a warranty by such nominee to the Offeror and Altus Investments 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 Altus Investments 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 Altus Capital 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, Altus Capital, 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

Set out below is a summary of the audited consolidated financial results of the Group for each of the three years ended 30 June 2024 and the unaudited consolidated financial information of the Group for the six months ended 31 December 2024. The figures for each of the three years ended 30 June 2024 and the six months ended 31 December 2024 are extracted from the relevant published financial statements of the Group for the relevant years/period.

|   | For the six<br>months<br>ended 31<br>December<br>2024<br>HK\$'000 | For the years ended 30 June |                  |                  |
|---|---|-----------------------------|------------------|------------------|
|   |   | 2024<br>HK\$'000            | 2023<br>HK\$'000 | 2022<br>HK\$'000 |
| <b>Revenue</b>  | 46,902  | 70,028                      | 54,414           | 75,510           |
| Cost of sales   | <u>(30,784)</u>   | <u>(49,359)</u>             | <u>(45,016)</u>  | <u>(52,901)</u>  |
| <b>Gross profit</b>   | 16,118  | 20,669                      | 9,398            | 22,609           |
| Other income  | 390   | 5,647                       | 2,852            | 2,856            |
| Selling expenses  | (3,063)   | (5,741)                     | (7,054)          | (8,330)          |
| Administrative and other operating expenses   | (11,080)  | (22,322)                    | (21,678)         | (20,814)         |
| Impairment loss on trade receivables  | –   | –                           | (36)             | (59)             |
| Impairment loss on non-financial assets   | –   | –                           | (9,112)          | –                |
| Finance costs   | <u>(495)</u>  | <u>(657)</u>                | <u>(693)</u>     | <u>(342)</u>     |
| <b>Profit/(loss) before income tax</b>  | 1,870   | (2,404)                     | (26,323)         | (4,080)          |
| Income tax (expense)/credit   | <u>(165)</u>  | <u>98</u>                   | <u>358</u>       | <u>245</u>       |
| <b>Profit/(loss) for the year</b>   | <u>1,705</u>  | <u>(2,306)</u>              | <u>(25,965)</u>  | <u>(3,835)</u>   |
| <b>Other comprehensive income/(expenses),<br/>that will not be reclassified subsequently<br/>to profit or loss:</b> |   |                             |                  |                  |
| Remeasurements of long service payment<br>obligation  | <u>–</u>  | <u>(26)</u>                 | <u>–</u>         | <u>–</u>         |
| <b>Total comprehensive income/(expense) for<br/>the year</b>  | <u>1,705</u>  | <u>(2,332)</u>              | <u>(25,965)</u>  | <u>(3,835)</u>   |

**APPENDIX II**
**FINANCIAL INFORMATION OF THE GROUP**

|   | For the six<br>months<br>ended 31<br>December<br>2024<br><i>HK\$'000</i> | For the years ended 30 June |                         |                         |
|---|--|-----------------------------|-------------------------|-------------------------|
|   |  | 2024<br><i>HK\$'000</i>     | 2023<br><i>HK\$'000</i> | 2022<br><i>HK\$'000</i> |
| <b>Profit/(loss) for the year attributable to:</b>                                |  |                             |                         |                         |
| Owners of the Company   | 1,596  | (2,395)                     | (25,965)                | (3,835)                 |
| Non-controlling interests   | <u>109</u>   | <u>89</u>                   | <u>–</u>                | <u>–</u>                |
|   | <u>1,705</u>   | <u>(2,306)</u>              | <u>(25,965)</u>         | <u>(3,835)</u>          |
| <b>Total comprehensive income/(expense)<br/>attributable to:</b>                  |  |                             |                         |                         |
| Owners of the Company   | 1,596  | (2,421)                     | (25,965)                | (3,835)                 |
| Non-controlling interests   | <u>109</u>   | <u>89</u>                   | <u>–</u>                | <u>–</u>                |
|   | <u>1,705</u>   | <u>(2,332)</u>              | <u>(25,965)</u>         | <u>(3,835)</u>          |
| <b>Profit/(loss) per share for loss attributable<br/>to owners of the Company</b> | <i>(HK cents)</i>  | <i>(HK cents)</i>           | <i>(HK cents)</i>       | <i>(HK cents)</i>       |
| Basic and diluted   | <u>0.87</u>  | <u>(1.30)</u>               | <u>(14.11)</u>          | <u>(2.08)</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 30 June 2024 and the unaudited consolidated financial information the six months ended 31 December 2024.

There was no payment of dividends for each of the three years ended 30 June 2024 and the six months ended 31 December 2024. Hence, dividends per Share for each of the three years ended 30 June 2024 and the six months ended 31 December 2024 was inapplicable. On 11 April 2025, the Board recommended the declaration and payment of the Special Dividend of HK\$0.108 per Share in cash out of the share premium account of the Company to the Shareholders whose names appear on the register of members of the Company on the Record Date. The Special Dividend was approved by the Shareholders at the EGM held on 27 April 2025 and paid to the Shareholders on 14 May 2025.

The auditor of the Company for the three years ended 30 June 2024 was Grant Thornton Hong Kong 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 30 June 2024.

## 2. CONSOLIDATED FINANCIAL STATEMENTS 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 unaudited consolidated financial statements of the Group for the six months ended 31 December 2024 (the “**2024/25 Interim Financial Statements**”); (ii) the audited consolidated financial statements of the Group for the year ended 30 June 2024 (the “**2024 Financial Statements**”); (iii) the audited consolidated financial statements of the Group for the year ended 30 June 2023 (the “**2023 Financial Statements**”); and (iv) the audited consolidated financial statements of the Group for the year ended 30 June 2022 (the “**2022 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 2024/25 Interim Financial Statements are set out from page 6 to page 36 in the interim report of the Company for the six months ended 31 December 2024 (the “**2024/25 Interim Report**”) which was published on 26 March 2025. The 2024/25 Interim Report of the Company was posted on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company (<https://www.hangsangpress.com>), and is accessible via the following hyperlinks:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0326/2025032600129.pdf>

The 2024 Financial Statements are set out from page 134 to page 235 in the annual report of the Company for the year ended 30 June 2024 (the “**2024 Annual Report**”) which was published on 30 October 2024. The 2024 Annual Report of the Company was posted on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company (<https://www.hangsangpress.com>), and is accessible via the following hyperlinks:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/1030/2024103000359.pdf>

The 2023 Financial Statements are set out from page 127 to page 203 in the annual report of the Company for the year ended 30 June 2023 (the “**2023 Annual Report**”) which was published on 25 October 2023. The 2023 Annual Report of the Company was posted on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company (<https://www.hangsangpress.com>), and is accessible via the following hyperlinks:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/1025/2023102500416.pdf>

The 2022 Financial Statements are set out from page 118 to page 191 in the annual report of the Company for the year ended 30 June 2022 (the “**2022 Annual Report**”) which was published on 26 October 2022. The 2022 Annual Report of the Company was posted on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company (<https://www.hangsangpress.com>), and is accessible via the following hyperlinks:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/1026/2022102600304.pdf>

### 3. INDEBTEDNESS

As at 28 February 2025, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Composite Document, the Group did not have any other bank overdrafts or loans, or other similar indebtedness, mortgages, charges or guarantees or other material contingent liabilities.

### 4. MATERIAL CHANGE

Save as and except for the below, the Directors confirm that there has been no material change in the financial or trading position or outlook of the Group since 30 June 2024, being the date to which the latest published audited consolidated financial statements of the Company were made up, up to and including the Latest Practicable Date:

- (a) the Group's revenue for the eight months ended 28 February 2025 ("**8M2024/25**") increased by approximately 59% to approximately HK\$63.6 million as compared to approximately HK\$40.1 million for the eight months ended 29 February 2024 ("**8M2023/24**"), due to (i) increases in sale of apparel labels and packaging printing products, sale and distribution of food, daily necessities and utility products; (ii) commencement of restaurant operation following the completion of acquisition of 91% of issued share capital of Sky Honor Holdings Limited on 29 February 2024 (the "**Commencement of Restaurant Operation**"); and (iii) commencement of E-cigarette sales in February 2025 (together, the "**Business Developments**");
- (b) the Group's gross profit for 8M2024/25 increased by approximately 77% to approximately HK\$23.0 million as compared to approximately HK\$13.0 million for 8M2023/24, mainly due to (i) increases in sale of apparel labels and packaging printing products; and (ii) Commencement of Restaurant Operation;
- (c) the Group's profit attributable to owners of the Company for 8M2024/25 increased by approximately 152% to approximately HK\$2.6 million as compared to approximately HK\$1.0 million for 8M2023/24, mainly attributable to increase in the Group's revenue and gross profit as mentioned above, as partially offset by decrease in the Group's other income and increase in the Group's administrative and other operating expenses;
- (d) along with the Business Developments, the Group's inventories, trade and other receivables as at 28 February 2025 increased as compared to those as at 30 June 2024; and
- (e) the Company paid the Special Dividend on 14 May 2025.

Paragraphs (a), (b) and (c) above constitute profit forecast under Rule 10 of the Takeovers Code and must be reported on by the Company's financial adviser and auditors or consultant accountants. Accordingly, the Company engaged Gram Capital Limited (the financial adviser to the Company in relation to the Offer) and Grant Thornton Hong Kong Limited (the Company's auditor) to report on the above matters in accordance with the requirements under Rule 10 of the Takeovers Code. Please refer to Appendix IIA for the report of Grant Thornton Hong Kong Limited and Appendix IIB for the report of Gram Capital Limited.

*The following is the text of the letter from Grant Thornton Hong Kong Limited, the Company's auditor, for the purpose of inclusion in this Composite Document.*

The Board of Directors  
Hang Sang (Siu Po) International Holding Company Limited  
Block C, 5/F, Gee Hing Chang Industrial Building  
No. 16 Cheung Yue Street  
Cheung Sha Wan  
Kowloon  
Hong Kong

26 May 2025

**Hang Sang (Siu Po) International Holding Company Limited (the “Company”) and its subsidiaries (collectively the “Group”)**

**Profit estimate for eight months ended 28 February 2025**

We refer to the following statements which constitute a profit estimate under Rule 10.6 of The Code on Takeovers and Mergers issued by the Securities and Futures Commission (the “**Profit Estimate**”) as set out in the section headed “4. MATERIAL CHANGE” of Appendix II to the composite document dated 26 May 2025 jointly issued by Wade Investment Spc Ltd and the Company:

- (a) *“The Group’s revenue for the eight months ended 28 February 2025 (“8M2024/25”) increased by approximately 59% to approximately HK\$63.6 million as compared to approximately HK\$40.1 million for the eight months ended 29 February 2024 (“8M2023/24”), due to (i) increases in sale of apparel labels and packaging printing products, sale and distribution of food, daily necessities and utility products; (ii) commencement of restaurant operation following the completion of acquisition of 91% of issued share capital of Sky Honor Holdings Limited on 29 February 2024 (the “**Commencement of Restaurant Operation**”); and (iii) commencement of E-cigarette sales in February 2025;*
- (b) *The Group’s gross profit for 8M2024/25 increased by approximately 77% to approximately HK\$23.0 million as compared to approximately HK\$13.0 million for 8M2023/24, mainly due to (i) increases in sale of apparel labels and packaging printing products; and (ii) Commencement of Restaurant Operation;*
- (c) *The Group’s profit attributable to owners of the Company for 8M2024/25 increased by approximately 152% to approximately HK\$2.6 million as compared to approximately HK\$1.0 million for 8M2023/24, mainly attributable to increase in the Group’s revenue and gross profit as mentioned above, as partially offset by decrease in the Group’s other income and increase in the Group’s administrative and other operating expenses.”*

The Profit Estimate is required to be reported on under Rule 10 of The Code on Takeovers and Mergers issued by the Securities and Futures Commission.

**Directors' Responsibilities**

The Directors are solely responsible for the Profit Estimate. The Profit Estimate is prepared based on the unaudited consolidated financial results of the Group for the eight months ended 28 February 2025 with comparative figures for the eight months ended 29 February 2024 (“**Unaudited Consolidated Financial Information**”). The Unaudited Consolidated Financial Information has been prepared based on the management accounts of the Group for the eight months ended 28 February 2025 with comparative figures for the eight months ended 29 February 2024. The Directors are solely responsible for preparing the Unaudited Consolidated Financial Information on a basis consistent in all material aspects with the accounting policies adopted by the Group as set out in the annual report of the Company for the year ended 30 June 2024.

**Our Independence and Quality Management**

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” as issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Management 1 “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements”, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Reporting Accountant's Responsibilities**

Our responsibility is to express an opinion on the accounting policies and calculations of the Profit Estimate based on our procedures.

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 500 “Reporting on Profit Forecasts, Statements of Sufficiency of Working Capital and Statements of Indebtedness” and with reference to Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” as issued by the HKICPA. Those standards require that we plan and perform our work to obtain reasonable assurance as to whether, so far as the accounting policies and calculations are concerned, the Directors have properly compiled the Profit Estimate in accordance with the bases adopted by the Directors and as to whether the Profit Estimate is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group. For the avoidance of doubts, we have not performed any procedures on the commentary in relation



to the Profit Estimate made by the Company. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing as issued by the HKICPA. Accordingly, we do not express an audit opinion.

**Opinion**

In our opinion, so far as the accounting policies and calculations are concerned, the Profit Estimate has been properly compiled in accordance with the bases adopted by the Directors and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in the annual report of the Company for the year ended 30 June 2024.

**Grant Thornton Hong Kong Limited**

Certified Public Accountants  
11th Floor, Lee Garden Two  
28 Yun Ping Road  
Causeway Bay  
Hong Kong SAR

26 May 2025

**Han Pui Yu**

Practising Certificate No.: P07101

*The following is the text of the letter from Gram Capital Limited, the Company's financial adviser, for the purpose of inclusion in this Composite Document.*

26 May 2025

**The Board of Directors**

Hang Sang (Siu Po) International Holding Company Limited  
Block C, 5/F  
Gee Hing Chang Industrial Building  
No. 16 Cheung Yue Street  
Cheung Sha Wan, Kowloon, Hong Kong

Dear Sir / Madam,

Reference is made to the composite document dated 26 May 2025 (the “**Composite Document**”) jointly issued by the Offeror and the Company. Capitalised terms used in this letter shall have the same respective meanings as defined in the Composite Document unless the context otherwise required.

We refer to the following statements under the section headed “4. MATERIAL CHANGE” of Appendix II to the Composite Document (the “**Statements**”):

- (a) *“The Group’s revenue for the eight months ended 28 February 2025 (“8M2024/25”) increased by approximately 59% to approximately HK\$63.6 million as compared to approximately HK\$40.1 million for the eight months ended 29 February 2024 (“8M2023/24”), due to (i) increases in sale of apparel labels and packaging printing products, sale and distribution of food, daily necessities and utility products; (ii) commencement of restaurant operation following the completion of acquisition of 91% of issued share capital of Sky Honor Holdings Limited on 29 February 2024 (the “**Commencement of Restaurant Operation**”); and (iii) commencement of E-cigarette sales in February 2025.*
- (b) *The Group’s gross profit for 8M2024/25 increased by approximately 77% to approximately HK\$23.0 million as compared to approximately HK\$13.0 million for 8M2023/24, mainly due to (i) increases in sale of apparel labels and packaging printing products; and (ii) Commencement of Restaurant Operation.*
- (c) *The Group’s profit attributable to owners of the Company for 8M2024/25 increased by approximately 152% to approximately HK\$2.6 million as compared to approximately HK\$1.0 million for 8M2023/24, mainly attributable to increase in the Group’s revenue and gross profit as mentioned above, as partially offset by decrease in the Group’s other income and increase in the Group’s administrative and other operating expenses.”*

The Statements constitute profit forecast under Rule 10 of the Takeovers Code and must be reported on by the financial adviser and the auditors or consultant accountants. This report is issued in compliance with the requirements under Rule 10.4 and Note 1(c) to Rules 10.1 and 10.2 of the Takeovers Code.

The Board prepared the Statements based on the unaudited consolidated management accounts of the Group for 8M2024/25 with comparative figures for 8M2023/24 (the “**Management Accounts**”). The Management Accounts were prepared on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in the annual report of the Company for the year ended 30 June 2024 (the “**Bases**”).

We have reviewed the Statements, the Management Accounts and the Bases (no assumption was involved in making of the Statements as they relate to a period already ended) which were provided by you and you as the Directors are solely responsible for. We also discussed the above with you and the senior management of the Company.

In respect of the accounting policies and calculations concerned, upon which the Statements have been made, we have considered the report as contained in Appendix IIA to the Composite Document addressed to the Board from Grant Thornton Hong Kong Limited, being the auditor of the Company (the “**Auditor**”). The Auditor is of the opinion that, so far as the accounting policies and calculations are concerned, the Statements have been properly compiled in accordance with the bases adopted by the Directors and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in the annual report of the Company for the year ended 30 June 2024.

Having considered the above, we are of the opinion that the Statements have been made with due care and consideration.

We hereby give and have not withdrawn our consent to the issue of the Composite Document with the inclusion therein of this report.

Yours faithfully,  
For and on behalf of  
**Gram Capital Limited**  
**Graham Lam**  
*Managing Director*

**1. RESPONSIBILITY STATEMENT**

The directors of the Offeror, the directors of Austen Capital, and the sole director of each of Jolly Atom Limited, Spirit age Technology Limited and Wonder Ladies Limited, jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than the information relating to the Group, the Seller and the Seller Guarantors), 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 Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement contained in this Composite Document misleading.

**2. DISCLOSURE OF INTERESTS AND DEALINGS IN SECURITIES OF THE COMPANY**

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

- (a) save for the 138,000,000 Shares (representing 75% of the total issued Shares) currently owned by the Offeror, none of the Offeror, the directors of the Offeror or parties acting in concert with it 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) save for the acquisition of the Sale Shares under the Sale and Purchase Agreement, none of the Offeror, the directors of the Offeror or parties acting in concert with it has dealt in the Shares, options, derivatives, warrants or other securities convertible or exchangeable into Shares or other relevant securities (as defined in Note 4 to Rule 22 of Takeovers Code) during the Relevant Period;
- (c) save for the Sale and Purchase Agreement and the Deed of Indemnity, there is 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 in relation to the shares of the Offeror or the Shares and which might be material to the Offer;
- (d) save for the Sale and Purchase Agreement, there is no agreement or arrangement to which the Offeror, its ultimate beneficial owner 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;
- (e) none of the Offeror or any person acting in concert with it has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (f) none of the Offeror or parties acting in concert with it has received any irrevocable commitment to accept or reject the Offer;

- (g) none of the Offeror or parties acting in concert with it has entered into any arrangements or contracts in relation to the outstanding derivatives in respect of securities in the Company;
- (h) other than the Consideration for the Sale Shares under the Sale and Purchase Agreement, the Offeror or parties acting in concert with any of them have not paid and will not pay any other consideration, compensation or benefit in whatever form to the Seller, the Seller Guarantors or parties acting in concert with it in connection with the sale and purchase of the Sale Shares;
- (i) save for the Sale and Purchase Agreement, the Deed of Indemnity and the Escrow Agreement, there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Offeror or parties acting in concert with it on one hand and the Seller, its ultimate beneficial owners (i.e. the Seller Guarantors) or parties acting in concert with any of them on the other hand;
- (j) save for the Sale and Purchase Agreement, the Deed of Indemnity and the Escrow Agreement, and the continuation of any pre-existing employment contracts between members of the Group and employees who are also Shareholders (including the Seller Guarantors), there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeover Code) between (i) any Shareholder; and (ii)(a) the Offeror or parties acting in concert with it; or (ii)(b) the Company, its subsidiaries or associated companies;
- (k) 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;
- (l) save for the Sale and Purchase Agreement, the Deed of Indemnity and the Escrow Agreement, 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
- (m) 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.

### 3. QUALIFICATION AND CONSENT OF EXPERT

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

| <b>Name</b>   | <b>Qualification</b>   |
|---------------|--|
| Altus Capital | 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 financial adviser of the Offeror in respect of the Offer |

As at the Latest Practicable Date, Altus Capital has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion of its letter, advice and/or references to its name in the form and context in which it is included.

### 4. 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 Full Trading Day; (c) the Last Trading Day; and (d) the Latest Practicable Date.

| <b>Date</b>                               | <b>Closing price per Share (HK\$)</b> |
|---|---------------------------------------|
| 30 September 2024                         | 0.270                                 |
| 31 October 2024                           | 0.360                                 |
| 29 November 2024                          | 0.355                                 |
| 31 December 2024                          | 0.385                                 |
| 28 January 2025                           | 0.340                                 |
| 28 February 2025                          | 0.450                                 |
| 25 March 2025 (the Last Full Trading Day) | 0.710                                 |
| 26 March 2025 (the Last Trading Day)      | 1.050                                 |
| 30 April 2025                             | 11.800                                |
| 23 May 2025 (the Latest Practicable Date) | 9.700                                 |

During the Relevant Period:

- (a) the highest closing price of the Shares quoted on the Stock Exchange were HK\$17.700 per Share on 17 April 2025; and
- (b) the lowest closing price of the Shares quoted on the Stock Exchange were HK\$0.270 per Share on 30 September and 2 October 2024, respectively.

**5. MISCELLANEOUS**

As at the Latest Practicable Date,

- (a) The Offeror is a segregated portfolio company incorporated in the Cayman Islands with limited liability acting for and on behalf of one of its segregated portfolios, Wade Investment SP1 (being an investment fund), in relation to the sale and purchase of the Sale Shares and the Offer, and its registered office is situated at the offices of Osiris International Cayman Limited, Suite #4-210, Governors Square, 23 Lime Tree Bay Avenue, PO Box 32311, Grand Cayman, KY1-1209, Cayman Islands, with its correspondence address being 2008, The Metropolis Tower, 10 Metropolis Drive, Hung Hom, Hong Kong. The directors of the Offeror are Mr. Lu Xiaoma and Ms. Jiang Shanshan. The Offeror is managed by Austen Capital in its capacity as the manager;
- (b) The authorised share capital of the Offeror comprises one management share which carries voting right and participating shares which do not carry voting right. The management share is ultimately owned by Mr. Lu Xiaoma and the Class 1A participating shares attributable to Wade Investment SP1 are ultimately owned by Mr. Li Feng;
- (c) The directors of Austen Capital are Mr. Lu Xiaoma, Ms. Jiang Shanshan and Mr. Chan Kin Wah Kenneth. Its registered office is situated at 2008, The Metropolis Tower, 10 Metropolis Drive, Hung Hom, Hong Kong;
- (d) Mr. Lu Xiaoma is the sole director of Jolly Atom Limited, whose registered office is situated at Sea Meadow House, P.O. Box 116, Road Town, Tortola, British Virgin Islands, with its correspondence address being 2008, The Metropolis Tower, 10 Metropolis Drive, Hung Hom, Hong Kong;
- (e) Mr. Wang Zhibao is the sole director of Spirit age Technology Limited, whose registered office is situated at 2202-05, The Metropolis Tower, 10 Metropolis Drive, Hung Hom, Hong Kong;
- (f) Mr. Li Feng is the sole director of Wonder Ladies Limited, whose registered office is situated at Aegis Chambers, 1st Floor, Ellen Skelton Building, 3076 Sir Francis Drake's Highway, Road Town, Tortola, VG1110, British Virgin Islands, with its correspondence address being 2202-05, The Metropolis Tower, 10 Metropolis Drive, Hung Hom, Hong Kong;
- (g) The correspondence address of Mr. Lu Xiaoma is 2008, The Metropolis Tower, 10 Metropolis Drive, Hung Hom, Hong Kong;
- (h) The correspondence address of Mr. Li Feng is 2202-05 The Metropolis Tower, 10 Metropolis Drive, Hung Hom, Hong Kong;
- (i) Altus Capital is the exclusive financial adviser to the Offeror and its registered office is situated at 21 Wing Wo Street, Central, Hong Kong; and



- (j) 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.

## **6. 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.hangsangpress.com](http://www.hangsangpress.com)), from the date of this Composite Document up to and including the Closing Date:

- (a) the memorandum and articles of association of Wade Investment SPC Ltd;
- (b) the written consent as referred to in the section headed “Qualification and Consent of Expert” in this appendix;
- (c) the letter from Altus Capital, the text of which is set out on pages 8 to 19 of this Composite Document; and
- (d) the Sale and Purchase Agreement.

**1. RESPONSIBILITY STATEMENT**

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than the information relating to the Offeror and parties acting in concert with it) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than that expressed by the directors of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any 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>760,000,000</u>            | Shares | <u>7,600,000</u> |
| <i>Issued and fully paid:</i> |        |                  |
| <u>184,000,000</u>            | Shares | <u>1,840,000</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 30 June 2024, the date to which the latest audited financial statements of the Company were made up.

### 3. MARKET PRICES

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

| <b>Date</b>                                     | <b>Closing Price<br/>per Share<br/>HK\$</b> |
|---|---|
| 30 September 2024                               | 0.270                                       |
| 31 October 2024                                 | 0.360                                       |
| 29 November 2024                                | 0.355                                       |
| 31 December 2024                                | 0.385                                       |
| 28 January 2025                                 | 0.340                                       |
| 28 February 2025                                | 0.450                                       |
| 26 March 2025 (being the Last Trading Day)      | 1.050                                       |
| 30 April 2025                                   | 11.800                                      |
| 23 May 2025 (being the Latest Practicable Date) | 9.700                                       |

During the Relevant Period, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$17.700 on 17 April 2025 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.270 on 30 September 2024 and 2 October 2024.

### 4. 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, none of 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.

**(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 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 Division 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:

***Interest in Shares***

| Name                                    | Capacity/name                      | Total<br>number of<br>Shares<br>and/or<br>underlying<br>Shares<br>interested | % in the<br>issued share<br>capital<br>of the<br>Company |
|---|------------------------------------|--|--|
| Austen Capital ( <i>Note 1</i> )        | Interest in controlled corporation | 138,000,000  | 75%  |
| Jolly Atom Limited ( <i>Note 1</i> )    | Interest in controlled corporation | 138,000,000  | 75%  |
| Mr. Li Feng ( <i>Note 2</i> )           | Interest in controlled corporation | 138,000,000  | 75%  |
| Mr. Lu Xiaoma ( <i>Note 1</i> )         | Interest in controlled corporation | 138,000,000  | 75%  |
| Wonder Ladies Limited ( <i>Note 2</i> ) | Interest in controlled corporation | 138,000,000  | 75%  |
| Ms. Yang Yi ( <i>Note 3</i> )           | Interest of Spouse                 | 138,000,000  | 75%  |
| Ms. Zhang Xiaoxiao ( <i>Note 4</i> )    | Interest of Spouse                 | 138,000,000  | 75%  |
| Offeror                                 | Beneficial owner                   | 138,000,000  | 75%  |

***Notes:***

1. Austen Capital holds 100% management share in the Offeror. Austen Capital is wholly-owned by Jolly Atom Limited, which is in turn wholly-owned by Mr. Lu Xiaoma. According to the SFO, Mr. Lu Xiaoma, Jolly Atom Limited and Austen Capital are deemed to be interested in the Shares held by the Offeror.
2. Wonder Ladies Limited holds 86.67% Class 1A Shares attributable to Wade Investment SP1 (being a segregated portfolio of Wade Investment SPC Ltd). Wonder Ladies Limited is wholly-owned by Mr. Li Feng. According to the SFO, Wonder Ladies Limited and Mr. Li Feng are deemed to be interested in the Shares held by the Offeror.
3. Ms. Yang Yi is the spouse of Mr. Lu Xiaoma. According to the SFO, Ms. Yang Yi is deemed to be interested in the Shares which Mr. Lu Xiaoma is interested in.
4. Ms. Zhang Xiaoxiao is the spouse of Mr. Li Feng. According to the SFO, Ms. Zhang Xiaoxiao is deemed to be interested in the Shares which Mr. Li Feng is interested in.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other person 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 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.

**5. 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) 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 Rules 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) none of the Company nor any Director had borrowed or lent any Shares or any securities, convertible securities, warrants, options or derivatives in respect of any Shares or securities of the Company;
- (e) none of the Directors beneficially owned any Shares and accordingly none of them is entitled to the Offer;
- (f) none of the Directors held any beneficial shareholdings in the Company which would otherwise entitle them to accept or reject the Offer; and
- (g) 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.

## 6. 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 and (2) the Company, its subsidiaries or associated companies.

## 7. SERVICE CONTRACTS OF DIRECTORS

Save as disclosed below, as at the Latest Practicable Date, none of the Directors had any service contracts with the Company or any of its subsidiaries or associated companies in force which: (a) (including both continuous and fixed term contracts) had been entered into or amended within 6 months before the commencement of the Offer Period; (b) were continuous contracts with a notice period of 12 months or more; or (c) were fixed term contracts with more than 12 months to run irrespective of the notice period.

| Name of director           | Term of contract   | Expiry Date      | Remuneration per annum  |
|----------------------------|--|------------------|---|
| Fung Man Wai Samson        | 3 years  | 30 November 2027 | Basic salary of HK\$1,229,800 plus rental benefits of HK\$960,000   |
| Fung Man Kam               | 3 years  | 30 November 2027 | Basic salary of HK\$1,229,800 plus rental benefits of HK\$960,000   |
| Fung Kar Chue<br>Alexander | With the Company:<br>3 years   | 30 November 2027 | Basic salary of HK\$1,229,800   |
|                            | With Alpha Six<br>Three Limited:<br>Commencing from 6<br>December 2024 with<br>no fixed period but<br>can be terminated<br>by the Company at<br>any time on 60-day<br>notice | N/A              | Basic salary of HK\$360,000 plus<br>performance bonus to be calculated with<br>reference to the net profit after tax of the<br>Group for each financial year as shown<br>in the audited accounts of Alpha Six<br>Three Limited (after deducting all<br>accumulated loss): |

| Name of director  | Term of contract | Expiry Date   | Remuneration per annum  |
|-------------------|------------------|---------------|---|
|                   |                  |               | For the portion of net profit above HK\$nil – HK\$1 million 25% |
|                   |                  |               | For the portion above HK\$1 million and up to HK\$2 million 30% |
|                   |                  |               | For the portion above HK\$2 million and up to HK\$3 million 35% |
|                   |                  |               | For the portion above HK\$3 million 40%                         |
| Fung Po Yee       | 2 years          | 25 April 2026 | HK\$132,000   |
| Dr. Sung Ting Yee | 2 years          | 25 April 2026 | HK\$132,000   |

Save as disclosed above, there is no variable remuneration payable under the contract as mentioned above.

## 8. 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) a sale and purchase agreement relating to 91% of the issued share capital of Sky Honor Holdings Limited dated 7 February 2024 entered into between Million Rank (HK) Limited (“**Million Rank**”), Hang Sang (Siu Po) Holding Limited (“**HSSP Holding**”, a wholly-owned subsidiary of the Company) and Sky Honor Holdings Limited (“**Sky Honor**”), pursuant to which Million Rank agreed to sell, and HSSP Holding agreed to purchase, 91 ordinary shares in Sky Honor (being 91% of the issued share capital of Sky Honor) at the consideration of HK\$8,645,000; and
- (b) the sale and purchase agreement relating to disposal of printing machine dated 22 January 2024 entered into between HSSP Press and People Printing Press Ltd. (“**People Printing**”), pursuant to which HSSP Press agreed to sell, and People Printing agreed to purchase, a printing machine at the consideration of HK\$4,080,000.



**9. 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.

**10. QUALIFICATION AND CONSENT OF EXPERT**

The following are the qualifications of the experts who have given their letter or advice which is contained in this Composite Document:

| <b>Name</b>                      | <b>Qualification</b>  |
|----------------------------------|---|
| Gram Capital Limited             | a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO |
| BaoQiao Partners Capital Limited | a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO |
| Grant Thornton Hong Kong Limited | Certified Public Accountants and Registered Public Interest Entity Auditor                                  |

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

**11. GENERAL**

- (a) The registered office of the Company is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
- (b) The principal place of business in Hong Kong of the Company is Block C, 5/F., Gee Hing Chang Industrial Building, No. 16 Cheung Yue Street, Cheung Sha Wan, Kowloon, Hong Kong.
- (c) As at the Latest Practicable Date, the executive Directors are Mr. Fung Man Wai Samson, Mr. Fung Man Kam and Mr. Fung Kar Chue Alexander; and the independent non-executive Directors are Ms. Fung Po Yee and Dr. Sung Ting Yee.
- (d) The company secretary of the Company is Mr. Li Kit Chung, who is the authorised representative under Rule 3.05 of the Listing Rules.
- (e) The Hong Kong branch share registrar of the Company is Union Registrars Limited at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong.

- (f) The registered office of BaoQiao Partners Capital Limited, the Independent Financial Adviser, is at Room C01, 26/F, United Centre, 95 Queensway, Admiralty, 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.

## **12. DOCUMENTS AVAILABLE ON DISPLAY**

In addition to the documents relating to the Offeror as set out in the paragraph headed “6. Documents available on display” in Appendix III to this Composite Document, copies of the following documents are available on display (i) on the website of the Company (<https://www.hangsangpress.com>) and (ii) on the website of the SFC ([www.sfc.hk](http://www.sfc.hk)) from the date of this Composite Document up to and including the Closing Date:

- (a) the second amended and restated memorandum of association and articles of association of the Company;
- (b) the annual reports of the Company for the years ended 30 June 2023 and 2024, respectively and the interim report of the Company for the six months ended 31 December 2024;
- (c) the letter from the Board, the text of which is set out on pages 20 to 29 of this Composite Document;
- (d) the letter from the Independent Board Committee, the text of which is set out on pages 30 to 31 of this Composite Document;
- (e) the letter from the Independent Financial Adviser, the text of which is set out on pages 32 to 59 of this Composite Document;
- (f) the report from Grant Thornton Hong Kong Limited, the text of which is set out on pages IIA-1 to IIA-3 of this Composite Document;
- (g) the report from Gram Capital Limited, the text of which is set out on pages IIB-1 to IIB-2 of this Composite Document;
- (h) the service contracts referred to in the paragraph headed “7. Service Contracts of Directors” in this Appendix;
- (i) the material contracts referred to in the paragraph headed “8. Material Contracts” in this Appendix; and
- (j) the letters of consent referred to in the paragraph headed “10. Qualification and Consent of Expert” in this Appendix.