
THIS COMPOSITE DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any 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, bank manager, solicitor, professional accountant or other professional adviser and obtain independent professional advice.

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

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.

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.

Mr. Zhong Yuhua
鍾育華
Ms. Ou Honglian
歐紅蓮
Mr. Zhong Juzhi
鍾舉至
Mr. Zhong Rongzhi
鍾榮至

Winning Tower Group Holdings Limited
運興泰集團控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8362)

**COMPOSITE DOCUMENT
RELATING TO
MANDATORY UNCONDITIONAL CASH OFFER BY
RAINBOW CAPITAL (HK) LIMITED FOR AND ON BEHALF OF
THE OFFERORS TO ACQUIRE ALL OF THE ISSUED SHARES
IN THE ISSUED SHARE CAPITAL OF
WINNING TOWER GROUP HOLDINGS LIMITED
(OTHER THAN THOSE SHARES ALREADY OWNED OR AGREED
TO BE ACQUIRED BY THE OFFERORS AND
PARTIES ACTING IN CONCERT WITH ANY ONE OF THEM)**

Financial Adviser to the Offerors



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

MESSIS 大有融資

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 "Definitions" section of this Composite Document.

A letter from Rainbow Capital containing, among other things, principal terms of the Offer is set out on pages 10 to 21 of this Composite Document. A letter from the Board is set out on pages 22 to 28 of this Composite Document. A letter from the Independent Board Committee to the Independent Shareholders containing its recommendation in respect of the Offer is set out on pages 29 to 30 of this Composite Document. A letter from the Independent Financial Adviser containing its recommendation to the Independent Board Committee in respect of the Offer and the principal factors considered by it in arriving at its recommendation is set out on pages IFA-1 to IFA-32 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. Form of Acceptance should be received by the Registrar, namely Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event no later than 4:00 p.m. on Monday, 6 May 2024 (or such later time and/or date as the Offerors may determine and the Offerors 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 "The Offer – Overseas Shareholders" in the "Letter from Rainbow Capital" of this Composite Document before taking any action. It is the sole responsibility of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental, exchange control or other consent which may be required, the compliance with other necessary formalities and the payment of any transfer or other taxes due from the accepting Overseas Shareholders in respect of such jurisdictions). 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 Offerors and the Company. This Composite Document will remain on the website of the Stock Exchange at www.hkexnews.hk and website of the Company at www.wtgl.hk as long as the Offer remains open. In case of any inconsistency, the English language texts of this Composite Document and the accompanying Form of Acceptance shall prevail over their respective Chinese texts for the purpose of interpretation.

This Composite Document, for which the directors of the issuer collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the issuer. The directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Composite Document is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

15 April 2024

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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EXPECTED TIMETABLE

The timetable set out below is indicative only and is subject to change. Any changes to the timetable will be jointly announced by the Offerors and the Company.

2024

Despatch date of this Composite Document and
the accompanying Form of Acceptance and
commencement date of the Offer (*Note 1*) Monday, 15 April

Latest time and date for acceptance of
the Offer (*Notes 1, 2 and 4*) 4:00 p.m. on
Monday, 6 May

Closing Date (*Notes 1 and 2*) Monday, 6 May

Announcement of the results of the Offer,
to be posted on the website of
the Stock Exchange (*Note 1*) no later than 7:00 p.m.
on Monday, 6 May

Latest date for posting of remittances in respect
of valid acceptances received under
the Offer (*Notes 3 and 4*) Thursday, 16 May

Notes:

- (1) The Offer, which is unconditional in all respect, 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.

In accordance with the Takeovers Code, the Offer must remain open for acceptance for at least 21 days following the date on which this Composite Document is posted. The latest time and date for acceptance will be at 4:00 p.m. on Monday, 6 May 2024 unless the Offerors revise or extend the Offer in accordance with the Takeovers Code. The Offerors and the Company will jointly issue an announcement through the websites of the Stock Exchange and the Company no later than 7:00 p.m. on Monday, 6 May 2024 stating the results of the Offer and whether the Offer has been extended, revised or expired. In the event that the Offerors decide to extend the Offer, and the announcement regarding the extension of the Offer 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.

- (2) 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 (set out in section headed "General procedures for acceptance of the Offer" in Appendix I to this Composite Document) for causing instructions to be made to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures.
- (3) Remittances in respect of the cash consideration (after deducting the seller's ad valorem stamp duty) payable for the Offer Shares tendered under the Offer will be despatched to the Independent Shareholders accepting the Offer by ordinary post at their own risk as soon as possible, but in any event within seven (7) Business Days following the date of receipt by the Registrar of all relevant documents (receipt of which renders such acceptance complete and valid), in accordance with the Takeovers Code. Acceptances of the Offer shall be

EXPECTED TIMETABLE

irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code. Please refer to the paragraph headed “5. Right of withdrawal” in Appendix I to this Composite Document for further information on the circumstances where acceptances may be withdrawn.

- (4) If there is a tropical cyclone warning signal number 8 or above, or “extreme conditions” caused by super typhoons or a black rainstorm warning:
- (a) in force in Hong Kong at any local time before 12:00 noon but no longer in force after 12:00 noon on the latest date for acceptance of the 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) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the latest date for acceptance of the 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 following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m. and the latest date for despatch of remittances will be rescheduled to the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

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

All references to dates and times contained in this Composite Document and the accompanying Form of Acceptance refer to Hong Kong dates and times.

IMPORTANT NOTICE

NOTICE TO THE OVERSEAS SHAREHOLDERS

The making of the Offer to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or affected by the laws of the relevant jurisdictions. Overseas Shareholders who are citizens or residents or nationals of jurisdictions outside Hong Kong should inform themselves about and observe any applicable legal and regulatory requirements and, where necessary, seek independent legal advice in respect of the Offer.

It is the responsibility of any such person who wishes to accept the Offer to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents and any registration or filing which may be required or the compliance with other necessary formalities or legal and regulatory requirements and the payment of any transfer or other taxes or other required payments due from him/her/it in respect of such jurisdiction.

Any acceptance by the Overseas Shareholders will be deemed to constitute a representation and warranty from such Overseas Shareholders to the Offerors that the local laws and requirements have been complied with and such acceptance shall be lawful, valid and binding in accordance with all applicable laws. Such Overseas Shareholders should consult their respective professional advisers if in doubt.

Save and except Keyview Ventures, there are no Overseas Shareholders based on the register of members of the Company as at the Latest Practicable Date. Please refer to the section headed “7. Overseas Shareholders” in Appendix I to this Composite Document for further information.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Composite Document contains forward-looking statements, which may be identified by words such as “believe”, “expect”, “anticipate”, “intend”, “plan”, “seek”, “estimate”, “will”, “would” or words of similar meaning, that involve risks and uncertainties, as well as assumptions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. The forward-looking statements included herein are made only as at the Latest Practicable Date. The Offerors and the Company assume no obligation to correct or update the forward-looking statements or opinions contained in this Composite Document, except as required pursuant to applicable laws or regulations, including but not limited to the GEM Listing Rules and/or the Takeovers Code.

DEFINITIONS

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

“acting in concert”	has the meaning ascribed to it under the Takeovers Code and “concert parties” shall be construed accordingly
“Actionable Corporate Communication”	any corporate communication that seeks instructions from the Company’s securities holders on how they wish to exercise their rights or make an election as the Company’s securities holder
“Adjusted NAV”	the adjusted audited consolidated net assets attributable to the owners of the Company of approximately HK\$83,956,000 as at 31 December 2023, the calculation of which is set out in Appendix II of the Composite Document
“associate(s)”	has the meaning ascribed to it under the Takeovers Code
“Board”	the board of Directors
“Business Day(s)”	a day on which the Stock Exchange is open for the transaction of business
“BVI”	the British Virgin Islands
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Closing Date”	6 May 2024, the closing date of the Offer, which is no less than 21 days following the date on which this Composite Document is posted, or if the Offer is extended, any subsequent closing date as may be determined by the Offerors and jointly announced by the Offerors and the Company, with the consent of the Executive, in accordance with the Takeovers Code
“Company”	Winning Tower Group Holdings Limited (運興泰集團控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the GEM (stock code: 8362)
“Completion”	completion of the Sale and Purchase Agreement
“Completion Date”	26 January 2024

DEFINITIONS

“Composite Document”	this composite offer and response document jointly issued by the Offerors and the Company to the Shareholders in connection with the Offer in accordance with the Takeovers Code containing, among other things, details of the Offer (accompanied by the Form of Acceptance) and the respective letters of advice from the Independent Board Committee and the Independent Financial Adviser
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Consideration”	the amount of HK\$41,924,211.19, being consideration payable by the Offerors to the Vendors for the Sale Shares under the Sale and Purchase Agreement
“controlling shareholder”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
“Form of Acceptance”	the form of acceptance and transfer of the Offer Shares in respect of the Offer accompanying this Composite Document
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Independent Board Committee”	the independent committee of the Board, comprising all the independent non-executive Directors and non-executive Directors who have no direct or indirect interest in the Offer, namely Mr. Chau Chun Wai, Mr. Lo Sun Tong and Mr. Lam Lai Kiu Kelvin, established by the Company to make recommendation to the Independent Shareholders in relation to the Offer
“Independent Financial Adviser” or “Messis Capital”	Messis Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Company and approved by the Independent Board Committee to advise the Independent Board Committee in respect of the Offer and as to the acceptance of the Offer
“Independent Shareholder(s)”	holder(s) of Share(s), other than the Offerors and parties acting in concert with any one of them
“Independent Third Party(ies)”	a third party or third parties independent of and not connected with (within the meaning of the GEM Listing Rules) any directors, chief executive, substantial shareholders of the Company, its subsidiaries or any of their respective associates
“Joint Announcement”	the announcement dated 1 February 2024 jointly issued by the Offerors and the Company in relation to, among others, the Sale and Purchase Agreement and the Offer
“Kam Lee”	Kam Lee Investment Company Limited, a company incorporated in Hong Kong with limited liability and owned as to 40% by Mr. Ho Wing Nin and his spouse, 21% by Mr. Ho Wing Nin’s four children, 6% by a niece of Mr. Ho Wing Nin and 33% by 13 Independent Third Parties, respectively
“Keyview Ventures”	Keyview Ventures Limited (建景創投有限公司), a company incorporated in the BVI and the legal and beneficial owner of 1,050,000,000 shares of the Company, representing 75% of the issued share capital of the Company as at the Latest Practicable Date
“KV Shares”	shares of Keyview Ventures

DEFINITIONS

“Last Trading Day”	26 January 2024, being the last trading day of the Shares immediately prior to the release of the Joint Announcement
“Latest Practicable Date”	12 April 2024, being the latest practicable date prior to the printing of this Composite Document for ascertaining certain information contained herein
“Mr. Eldon Lai”	Mr. Lai Ho Yin Eldon, one of the Vendors
“Mr. Ho”	Mr. Ho Timothy Kin Wah, one of the Vendors
“Mr. KW Lai”	Mr. Lai King Wah, one of the Vendors
“Mr. Yu”	Mr. Yu Ting Hei, one of the Vendors
“Mr. Zhong”	Mr. Zhong Yuhua, one of the Offerors, the spouse of Ms. Ou and father of Mr. Zhong JZ and Mr. Zhong RZ
“Mr. Zhong JZ”	Mr. Zhong Juzhi, one of the Offerors and the son of Ms. Ou and Mr. Zhong
“Mr. Zhong RZ”	Mr. Zhong Rongzhi, one of the Offerors and the son of Ms. Ou and Mr. Zhong
“Ms. Li”	Ms. Li Sheung Oi, one of the Vendors
“Ms. Ou”	Ms. Ou Honglian, one of the Offerors, the spouse of Mr. Zhong and mother of Mr. Zhong JZ and Mr. Zhong RZ
“Offer”	the mandatory unconditional cash offer made by Rainbow Capital for and on behalf of the Offerors to acquire all the issued Shares other than those already owned or agreed to be acquired by the Offerors and parties acting in concert with any one of them in accordance with the Takeovers Code
“Offer Period”	the period commenced on 1 February 2024 and ends on the Closing Date in accordance with the Takeovers Code
“Offer Price”	the cash amount of HK\$0.052 payable by the Offerors for each Offer Share

DEFINITIONS

“Offer Shares”	all the issued Shares other than those already owned or agreed to be acquired by the Offerors and parties acting in concert with any one of them
“Offerors”	Mr. Zhong, Ms. Ou, Mr. Zhong JZ and Mr. Zhong RZ, being the purchasers of the Sale and Purchase Agreement
“Overseas Shareholders”	Independent Shareholder(s) whose address(es), as shown on the register of members of the Company is/are outside Hong Kong
“PRC”	the People’s Republic of China, which for the purpose of this Composite Document, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Rainbow Capital”	Rainbow Capital (HK) Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, the financial adviser to the Offerors in relation to the Offer
“Registrar”	Tricor Investor Services Limited, the Hong Kong branch share registrar and transfer office of the Company at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
“Relevant Period”	the period commencing on 1 August 2023, being the date falling six months immediately preceding the commencement of the Offer Period, up to and including the Latest Practicable Date
“Sale and Purchase Agreement”	the sale and purchase agreement dated 26 January 2024 entered into between the Vendors and the Offerors in relation to the sale and purchase of the Sale Shares
“Sale Shares”	21,829 KV Shares legally and beneficial owned by the Vendors to be transferred to the Offerors under the Sale and Purchase Agreement
“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)”	share(s) of nominal value of HK\$0.01 each in the share capital of the Company

DEFINITIONS

“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Top Ocean”	Top Ocean Investment Limited, a company incorporated in Hong Kong with limited liability and directly and wholly-owned by Kam Lee, one of the Vendors
“Vendors”	Mr. KW Lai, Top Ocean, Mr. Yu, Ms. Li, Mr. Ho and Mr. Eldon Lai
“%”	per cent.

Unless the context otherwise requires, all references in this Composite Document to:

- (a) times and dates are references to Hong Kong times and dates, except as otherwise specified;
- (b) pronouns in masculine, feminine or neutral genders shall be construed to state and include any other gender; and
- (c) words, terms and titles in the singular form shall be construed to include the plural and vice versa.

LETTER FROM RAINBOW CAPITAL

RAINBOW.

RAINBOW CAPITAL (HK) LIMITED
泓博資本有限公司

15 April 2024

To the Independent Shareholders

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY
RAINBOW CAPITAL (HK) LIMITED FOR AND ON BEHALF OF
THE OFFERORS TO ACQUIRE ALL OF THE ISSUED SHARES
IN THE ISSUED SHARE CAPITAL OF
WINNING TOWER GROUP HOLDINGS LIMITED
(OTHER THAN THOSE SHARES ALREADY OWNED OR AGREED
TO BE ACQUIRED BY THE OFFERORS AND
PARTIES ACTING IN CONCERT WITH ANY ONE OF THEM)**

INTRODUCTION

References are made to (i) the Joint Announcement in relation to, among other things, the Sale and Purchase Agreement and the Offer; and (ii) the joint announcements dated 21 February 2024 and 5 April 2024 issued by the Offerors and the Company in relation to the delay in despatch of the Composite Document. Terms used in this letter shall have the same meanings as defined in the Composite Document unless the context otherwise requires.

After trading hours on 26 January 2024, the Vendors and the Offerors entered into the Sale and Purchase Agreement, pursuant to which the Vendors agreed to sell and transfer, and the Offerors agreed to purchase, the Sale Shares free from all encumbrances for a cash Consideration of HK\$41,924,211.19. The Sale Shares, being the 21,829 KV Shares, representing approximately 76.78% of the total issued share capital of Keyview Ventures immediately before Completion. As at the Latest Practicable Date, Keyview Ventures held 1,050,000,000 Shares, representing 75% of the issued share capital of the Company.

Set out below are the principal terms of the Sale and Purchase Agreement.

Date

26 January 2024

LETTER FROM RAINBOW CAPITAL

Parties

- (i) the Vendors (as the vendors of the Sale Shares); and
- (ii) the Offerors (as the purchasers of the Sale Shares)

Ms. Ou is (i) the spouse of Mr. Zhong and mother of Mr. Zhong JZ and Mr. Zhong RZ; (ii) a non-executive Director; and (iii) a shareholder of Keyview Ventures holding approximately 23.22% of the issued share capital of Keyview Ventures immediately before Completion and has been treated as a substantial shareholder of the Company. As such, the Offerors and parties acting in concert with any one of them are not Independent Third Parties.

Subject matter

Pursuant to the Sale and Purchase Agreement, the Vendors agreed to sell and transfer, and the Offerors agreed to purchase, the Sale Shares, being the 21,829 KV Shares and representing approximately 76.78% of the total issued share capital of Keyview Ventures immediately before Completion, for a Consideration of HK\$41,924,211.19, in the following manner:

Transferor	Transferee	No. of KV Shares	Approximate % of the total issued share capital of Keyview Ventures immediately before Completion	Consideration paid to the Transferor
Mr. KW Lai	Mr. Zhong JZ	4,500	15.83%	HK\$13,396,004.08
Mr. KW Lai	Mr. Zhong RZ	2,028	7.13%	
Mr. KW Lai	Mr. Zhong	447	1.57%	
Top Ocean	Mr. Zhong	6,975	24.53%	HK\$13,396,004.08
Mr. Yu	Ms. Ou	3,000	10.55%	HK\$10,384,543.95
Mr. Yu	Mr. Zhong	2,407	8.47%	
Ms. Li	Mr. Zhong RZ	1,350	4.75%	HK\$2,592,774.98
Mr. Ho	Mr. Zhong RZ	815	2.87%	HK\$1,565,267.86
Mr. Eldon Lai	Mr. Zhong RZ	307	1.08%	HK\$589,616.24
	Total:	21,829	76.78%	HK\$41,924,211.19

The Sale Shares are sold free from all encumbrances and with all rights attached thereto or accruing thereto, including but not limited to all dividends, distributions and payments declared, paid or made in respect thereof on or after the date of the Sale and Purchase Agreement.

Upon the Completion, Mr. Zhong subscribed and Keyview Ventures allotted and issued, 1,571 KV Shares at the price of US\$1 per KV Share, all of which was allotted and issued and

LETTER FROM RAINBOW CAPITAL

fully paid up or credited as fully paid up. These 1,571 Shares rank *pari passu* in all respects with the existing KV Shares in issue (including the Sale Shares) as at the Completion Date and in particular rank in full for all rights to all dividends and distributions which may be declared, paid or made at any time at or after the Completion Date.

The Consideration

After arm's length negotiations, the Vendors and the Offerors (as the purchasers of the Sale Shares) agreed the valuation of the Group to be at HK\$72,800,000. In determining the valuation of the Group, the Vendors and the Offerors have considered, among others, (i) the Share price of HK\$0.035 on the Last Trading Day, representing a market capitalisation of approximately HK\$49.0 million; (ii) the daily trading volume of the Shares before entering into the Sale and Purchase Agreement; (iii) the net assets attributable to owners of the Company of approximately HK\$93.7 million as at 30 June 2023; and (iv) the financial performance of the Group in the recent financial years. Given that (i) the Sale Shares represent approximately 76.78% of the total issued share capital of Keyview Ventures immediately before Completion; and (ii) Keyview Ventures held 75% of the issued share capital of the Company as at the date of the Joint Announcement, the Consideration for the sale and purchase of the Sale Shares is HK\$41,924,211.19 (i.e. HK\$72,800,000 x 75% x approximately 76.78%). The Consideration was paid by Mr. Zhong, for himself and on behalf of all the Offerors, by cashier order(s) issued by a licensed bank in Hong Kong, or cheque(s) drawn on a licensed bank in Hong Kong within five (5) Business Days after Completion in the following manner:

- (a) HK\$13,396,004.08 to Mr. KW Lai;
- (b) HK\$13,396,004.08 to Top Ocean;
- (c) HK\$10,384,543.95 to Mr. Yu;
- (d) HK\$2,592,774.98 to Ms. Li;
- (e) HK\$1,565,267.86 to Mr. Ho; and
- (f) HK\$589,616.24 to Mr. Eldon Lai.

The Consideration for the Sale Shares was fully settled to the Vendors on 30 January 2024.

Completion

The Completion took place on 26 January 2024. The Offerors (as the purchasers of the Sale Shares) acquired 21,829 KV Shares (i.e. the Sale Shares), representing approximately 76.78% of the total issued share capital of Keyview Ventures immediately before Completion. After the Completion, the Offerors in aggregate held 28,429 KV Shares, representing the entire issued share capital of Keyview Ventures. Immediately after the Completion, Mr. Zhong subscribed and Keyview Ventures allotted and issued, 1,571 KV Shares at the price of US\$1 per KV Share, all

LETTER FROM RAINBOW CAPITAL

of which were allotted and issued and fully paid up or credited as fully paid up. The shareholding structure of Keyview Ventures subsequent to the allotment is as follows:

Shareholders of Keyview Ventures	No. of shares	Shareholding %
Mr. Zhong	11,400	38%
Ms. Ou	9,600	32%
Mr. Zhong JZ	4,500	15%
Mr. Zhong RZ	4,500	15%
Total:	<u>30,000</u>	<u>100%</u>

Immediately after the Completion and as at the Latest Practicable Date, the Offerors and parties acting, and presumed to be acting, in concert with any one of them, through Keyview Ventures, hold 1,050,000,000 Shares, representing 75% of the issued share capital of the Company.

Prior to Completion, save for the 6,600 KV Shares owned by Ms. Ou (representing approximately 23.22% of the total issued share capital of Keyview Ventures immediately before Completion), the Offerors and parties acting in concert with any one of them did not own, control or have direction over any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. Immediately following Completion, the Offerors and parties acting in concert with any one of them, through Keyview Ventures, owned 1,050,000,000 Shares, representing 75% of the total issued share capital of the Company as at the date of the Joint Announcement and the Latest Practicable Date. The Offerors are therefore required under Rule 26.1 of the Takeovers Code to make an Offer for all the issued Shares not already owned or agreed to be acquired by the Offerors and parties acting in concert with any one of them. The Offer is made to the Independent Shareholders.

This letter sets out, among other things, the principal terms of the Offer, together with the information on the Offerors and the Offerors' intentions regarding the Group. Further details of the Offer and procedures for accepting and settlement of the Offer are also set out in Appendix I to this Composite Document and the accompanying Form of Acceptance. Independent Shareholders are strongly advised to consider carefully the information contained in the "Letter from the Board", the "Letter from the Independent Board Committee" to the Independent Shareholders, the "Letter from the Independent Financial Adviser" to the Independent Board Committee and the appendices as set out in this Composite Document and to consult their professional advisers if in doubt before reaching a decision as to whether or not to accept the Offer.

LETTER FROM RAINBOW CAPITAL

THE OFFER

Principal terms of the Offer

We, Rainbow Capital, are making the Offer on behalf of the Offerors on the following basis:

The Offer

Offer Price for each Offer Share HK\$0.052 in cash

Set out below is the calculation of the Offer Price:

Total number of Shares held by Keyview Ventures (A)	1,050,000,000
Total number of issued KV Shares (B)	28,429
Number of Shares represented by each KV Share (C = A / B)	36,934.1165
Number of the Sale Shares (D)	21,829
Number of Shares represented by the Sale Shares (E = C x D)	806,234,829.078
Consideration (F)	HK\$41,924,211.19
Offer Price (G = F / E)	HK\$0.052

The Offer Price is HK\$0.052 per Offer Share. As at the Latest Practicable Date, Mr. Zhong is the spouse of Ms. Ou, and Mr. Zhong JZ and Mr. Zhong RZ are the sons of Mr. Zhong and Ms. Ou.

As at the Latest Practicable Date, there are 1,400,000,000 Shares in issue and the Company does not have any outstanding options, warrants or derivatives or securities convertible or exchangeable into Shares.

The Offer is unconditional in all respects and extended to all Independent Shareholders in accordance with the Takeovers Code.

Under the terms of the Offer, the Offer Shares to be acquired under the Offer shall be fully paid and free from all encumbrance and together with all rights and benefits attached thereto, including all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of despatch of this Composite Document.

The procedures for acceptance and further details of the Offer are set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

LETTER FROM RAINBOW CAPITAL

Comparison of value

The Offer Price of HK\$0.052 per Offer Share represents:

- (i) a premium of approximately 48.57% over the closing price of HK\$0.035 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 52.94% over the average closing price of approximately HK\$0.034 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately prior to and including the Last Trading Day;
- (iii) a premium of approximately 64.04% over the average closing price of approximately HK\$0.0317 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days immediately prior to and including the Last Trading Day;
- (iv) a premium of approximately 77.47% over the average closing price of approximately HK\$0.0293 per Share as quoted on the Stock Exchange for the last thirty (30) consecutive trading days immediately prior to and including the Last Trading Day;
- (v) a discount of approximately 44.09% to the closing price of HK\$0.093 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (vi) a discount of approximately 23.64% to the net asset value per Share of approximately HK\$0.06810 as at 31 December 2022 (based on a total of 1,400,000,000 Shares in issue as at the Latest Practicable Date and the audited consolidated net asset value attributable to the owners of the Company of approximately HK\$95,345,000 as at 31 December 2022);
- (vii) a discount of approximately 16.18% to the net asset value per Share of approximately HK\$0.06204 as at 31 December 2023 (based on a total of 1,400,000,000 Shares in issue as at the Latest Practicable Date and the audited consolidated net asset value attributable to the owners of the Company of approximately HK\$86,856,000 as at 31 December 2023); and
- (viii) a discount of approximately 13.29% to the adjusted net asset value per Share of approximately HK\$0.05997 as at 31 December 2023 (based on a total of 1,400,000,000 Shares in issue as at the Latest Practicable Date and the Adjusted NAV of approximately HK\$83,956,000 as at 31 December 2023. The calculation of the Adjusted NAV is set out in the section headed “Adjusted NAV per Share” in Appendix II to this Composite Document.

Highest and lowest Share prices

During the period commencing six months preceding and including the Last Trading Day (i.e. during the period from 26 July 2023 to 26 January 2024), the highest closing price of the

LETTER FROM RAINBOW CAPITAL

Shares as quoted on the Stock Exchange was HK\$0.042 per Share on 25 January 2024, and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.026 per Share on 14 December 2023.

Total consideration for the Offer Shares

As at the Latest Practicable Date, there are 1,400,000,000 Shares in issue and the Company has no other outstanding Shares, options, warrants, derivatives or other securities that are convertible or exchangeable into Shares or other relevant securities in the Company (as defined in Note 4 to Rule 22 of the Takeovers Code).

Assuming that there is no change in the issued share capital of the Company and based on the Offer Price of HK\$0.052 per Offer Share, the total issued share capital of the Company is valued at HK\$72,800,000. As the Offerors and parties acting in concert with any one of them, through Keyview Ventures, hold in aggregate 1,050,000,000 Shares as at the Latest Practicable Date, 350,000,000 Shares are subject to the Offer. Based on the Offer Price of HK\$0.052 per Offer Share, the consideration of the Offer would be HK\$18,200,000.

Financial resources available for the Offer

The maximum amount of cash payable by the Offerors in respect of the consideration payable upon full acceptance of the Offer is HK\$18,200,000, 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. Mr. Zhong has undertaken to pay, for and on behalf of the Offerors by his own internal resources, to satisfy the consideration payable under the Offer and the Offer Shares duly sold as a result of the acceptance of the Offer (if any) will be registered under Keyview Ventures, such arrangement of which the Offerors have reached consensus.

Rainbow Capital, as the financial adviser to the Offerors in respect of the Offer, is satisfied that sufficient financial resources are available to the Offerors to satisfy the amount of funds required for full acceptance of the Offer.

Effect of accepting the Offer

By accepting the Offer, the Independent Shareholders will be deemed to warrant that all the Offer Shares to be sold by such person under the Offer are fully paid and free from all encumbrances and together with all rights and benefits attaching thereto as at the date of the Composite Document or subsequently becoming attached to them, including but not limited to the right to receive in full all dividends, distributions and any return of capital, if any, which may be made or declared or agreed to be made or declared, and the record date of which falls on or after the date on which the Offer is made, being the date of despatch of the Composite Document.

The Offer is unconditional in all respects and will remain open for acceptance from the date of this Composite Document until 4:00 p.m. on the Closing Date. Acceptance of the Offer

LETTER FROM RAINBOW CAPITAL

will be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code, details of which are set out in the section headed “5. Right of withdrawal” in Appendix I to this Composite Document.

Payment

Payment in cash (rounding up to the nearest cent) in respect of acceptances of the Offer will be made as soon as possible within seven (7) Business Days of the date of receipt of a duly completed acceptance. Relevant documents evidencing title must be received by or on behalf of the Offerors to render such acceptance of the Offer complete and valid.

Hong Kong Stamp duty

Seller’s ad valorem stamp duty at a rate of 0.1% of the market value of the Offer Shares or consideration payable by the Offerors in respect of the relevant acceptances of the Offer, whichever is higher, will be deducted from the amount payable to the relevant Shareholders on acceptance of the Offer. The Offerors will arrange for payment of the sellers’ ad valorem stamp duty on behalf of accepting Shareholders and pay the buyer’s ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Offer Shares.

Overseas Shareholders

As the Offer to persons not being resident in Hong Kong may be affected by the laws of the relevant jurisdiction in which they are resident, Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the sole responsibility of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental, exchange control or other consent which may be required, the compliance with other necessary formalities and the payment of any transfer or other taxes due from the accepting Shareholders in respect of such jurisdictions).

If the receipt of the Composite Document by the Overseas Shareholders is prohibited by any applicable laws and regulations and may only be effected upon compliance with conditions or requirements in such overseas jurisdictions that would be unduly burdensome, the Composite Document, subject to the Executive’s consent, will not be despatched to such Overseas Shareholders and this will not affect the Overseas Shareholders’ right to accept the Offer. In those circumstances, the Offerors will apply for any waivers as may be required pursuant to Note 3 to Rule 8 of the Takeovers Code at such time. Save and except Keyview Ventures, there are no Overseas Shareholders as at the Latest Practicable Date.

Any acceptance of the Offer by such Overseas Shareholders will be deemed to constitute a representation and warranty from such Overseas Shareholders to the Offerors that the applicable

LETTER FROM RAINBOW CAPITAL

local laws and requirements have been complied with. The Overseas Shareholders should consult their professional advisers if in doubt.

Taxation advice

The Independent Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offerors, parties acting in concert with the Offerors, the Vendors, the Company, Rainbow Capital and their respective ultimate beneficial owners, directors, advisers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

INFORMATION ON THE GROUP

The Company was incorporated in the Cayman Islands as an exempted company with limited liability and its issued Shares have been listed on GEM since 30 June 2017.

The Company is an investment holding company incorporated in the Cayman Islands with limited liability. The Group is principally engaged in processing and trading of raw, frozen and cooked food products (which includes provision of transportation services) and the operation of restaurants in Hong Kong.

The financial information of the Group is set out in Appendix II to this Composite Document. Your attention is also drawn to the further information in relation to the Group as set out in Appendix IV to this Composite Document.

INFORMATION ON THE OFFERORS

Mr. Zhong, aged 51, has more than 20 years of experience in the business of food supplying in the PRC and Hong Kong. Mr. Zhong is a shareholder of Guangzhou City Ge Yun Trading Company Limited, a company incorporated in the PRC and principally engaged in the supply of frozen vegetables. Throughout his career in the food supplying industry, Mr. Zhong has accumulated extensive experience in the management of food-related business.

Ms. Ou, aged 47, is the spouse of Mr. Zhong. Ms. Ou is a non-executive Director. Mr. Zhong JZ, aged 22, and Mr. Zhong RZ, aged 22, are the sons of Mr. Zhong and Ms. Ou. Ms. Ou has more than 19 years of experience in food industry in China and had been a business manager of Guangzhou Shunmin Fenglong Agricultural Products Co., Ltd. (廣州順民豐隆農產有限公司), a company in the PRC and principally engaged in the supply of frozen vegetables, which is beneficially owned as to 90% by Mr. Zhong and Ms. Ou.

Ms. Ou is (i) the spouse of Mr. Zhong and mother of Mr. Zhong JZ and Mr. Zhong RZ; (ii) a non-executive Director; and (iii) a shareholder of Keyview Ventures holding approximately 23.22% of the issued share capital of Keyview Ventures immediately before Completion and has

LETTER FROM RAINBOW CAPITAL

been treated as a substantial shareholder of the Company. As such, the Offerors and parties acting in concert with any one of them are not Independent Third Parties.

INTENTIONS OF THE OFFERORS REGARDING THE GROUP

As at the Latest Practicable Date, the Offerors, through Keyview Ventures, are interested in 75% of the total issued share capital of the Company. They are also treated as the controlling shareholders of the Company under the GEM Listing Rules.

The Group is principally engaged in processing and trading of raw, frozen and cooked food products (which includes provision of transportation services) and the operation of restaurants in Hong Kong.

The intention of the Offerors is that the Company's existing principal business activities will be maintained and continued after completion of the Offer. The Offerors confirm that there is no intention to divest the existing businesses of the Company unless appropriate opportunities arise after the end of the Offer Period and have no plan and/or intention to downsize or change the scale of the Group's existing principal business. As at the Latest Practicable Date, the Offerors have not identified any prospective opportunities. With the market expectation of cutting interest rate in the latter half of 2024, the overall economy of Hong Kong will improve and there will be appropriate opportunities. In order to leverage on the expected uprising economy, after the Offer Period, the Offerors will conduct a review of the existing principal businesses, operations, financial position and investments of the Group for the purpose of formulating long-term business plans and strategies for the future business development of the Group. Leveraging on Mr. Zhong's and Ms. Ou's experience, industry knowledge and network in the food supplying industry, the Offerors intend to explore related business opportunities for the Group in the future.

Subject to the results of the review, the Offerors may explore other business opportunities and consider whether any asset disposals, asset acquisitions, business rationalisation, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance the long-term growth potential of the Group. As at the Latest Practicable Date, no investment or business opportunity has been identified nor have the Offerors entered into any agreement, arrangement, understanding or negotiation in relation to the injection or disposal of any assets or business into the Group. Should such corporate actions materialise, further announcement(s) will be made in accordance with the GEM Listing Rules.

The Offerors intend to continue the employment of the existing management and employees of the Group. The Offerors intend to nominate new director(s) to the Board with effect from a date which is no earlier than such date as permitted under the GEM Listing Rules and the Takeovers Code or such later date as the Offerors consider to be appropriate. Any changes to the members of the Board will be made in compliance with the Takeovers Codes and/or the GEM Listing Rules and further announcement(s) will be made as and when appropriate. As at the Latest Practicable Date, no Directors intend to resign from the Board and the Offerors have not

LETTER FROM RAINBOW CAPITAL

reached any final decision as to who will be nominated as new Director(s) of the Company, accordingly no change arrangement on the Board composition has been decided.

Save for the Offerors' intention regarding the Group as set out above, (i) the Offerors have no intention to make material changes to the employment of the management and employees of the Group; and (ii) the Offerors have no intention to dispose of or redeploy the assets of the Group other than those in its ordinary and usual course of business.

PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY

The Offerors intend to maintain the listing of the Shares on the Stock Exchange following the close of the Offer. The Offerors do not intend to avail themselves of any powers of compulsory acquisition of any Shares outstanding after the close of the Offer. The Offerors will, together with the Company, use reasonable endeavours to maintain the listing status of the Shares on the Stock Exchange and procure that not less than 25% of the entire issued share capital in the Company to be held by the public in compliance with the GEM Listing Rules.

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 false market exists or may exist in the trading of the Shares; or
- 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 for the Shares.

The Offerors intend the Company to remain listed on the Stock Exchange. The Offerors have undertaken and, if the Offerors identified any new Directors to join the Board, the Offerors will procure the new Directors to be appointed to the Board to jointly and severally undertake to the Stock Exchange to take appropriate steps (e.g. placing down of existing Shares by Keyview Ventures) following the close of the Offer to ensure that sufficient public float exists in the Shares. As at the Latest Practicable Date, no placing agent has been identified for the potential placing down of Shares, and the Offerors have not reached any final decision as to who be nominated as new Director(s) of the Company.

ACCEPTANCE AND SETTLEMENT OF THE OFFER

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

LETTER FROM RAINBOW CAPITAL

COMPULSORY ACQUISITION

The Offerors do not intend to avail itself of any powers of compulsory acquisition of any outstanding Offer Shares not acquired under the Offer after the close of the Offer.

GENERAL

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

The printed form of the Composite Document will only be posted to the Independent Shareholders upon request. The Company will send the Form of Acceptance, which is an Actionable Corporate Communication, to the Independent Shareholders in printed form, if the Company does not have their functional email address or if the Independent Shareholders requested. All documents (as the case may be) and remittances to be sent to the Independent Shareholders will be sent by ordinary post at their own risk. These documents and remittances will be sent to them at their respective addresses as they appear in the register of members, or, in case of joint holders to the Independent Shareholder whose name appears first in the said register of members. None of the Offerors, parties acting in concert with the Offerors, the Vendors, the Company, Rainbow Capital, the Independent Financial Adviser, the Registrar nor their respective ultimate beneficial owners, directors, officers, advisers, agents or associates, as applicable, or any other person involved in the Offer will be responsible for any loss or delay in transmission of such documents and remittances or any other liabilities that may arise as a result thereof.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information regarding the Offer set out in the appendices to this Composite Document and the accompanying Form of Acceptance, which form part of this Composite Document. You are also reminded to consider carefully the information contained in the “Letter from the Board”, the “Letter from the Independent Board Committee” and the “Letter from the Independent Financial Adviser” contained 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 on behalf of
Rainbow Capital (HK) Limited
Larry Choi
Managing Director

LETTER FROM THE BOARD

Winning Tower Group Holdings Limited
運興泰集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8362)

Executive Directors:

Mr. Lai King Wah (*Chairman*)
Mr. Lai Ho Yin Eldon
Mr. Ho Timothy Kin Wah

Non-executive Directors:

Mr. Yu Ting Hei
Mr. Wong Wang Leong
Ms. Ou Honglian

Independent non-executive Directors:

Mr. Chau Chun Wai
Mr. Lo Sun Tong
Mr. Lam Lai Kiu Kelvin

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Head Office and Principal Place
of Business in Hong Kong:*

Unit 803, 8/F
Riley House
88 Lei Muk Road
Kwai Chung
New Territories
Hong Kong

15 April 2024

To the Independent Shareholders

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY
RAINBOW CAPITAL (HK) LIMITED FOR AND ON BEHALF OF
THE OFFERORS TO ACQUIRE ALL OF THE ISSUED SHARES
IN THE ISSUED SHARE CAPITAL OF
WINNING TOWER GROUP HOLDINGS LIMITED
(OTHER THAN THOSE SHARES ALREADY OWNED OR AGREED
TO BE ACQUIRED BY THE OFFERORS AND
PARTIES ACTING IN CONCERT WITH ANY ONE OF THEM)**

INTRODUCTION

References are made to (i) the Joint Announcement in relation to, among other things, the Sale and Purchase Agreement and the Offer; and (ii) the joint announcements dated 21 February 2024 and 5 April 2024 issued by the Offerors and the Company in relation to the delay in despatch of the Composite Document. Terms used in this letter shall have the same meanings as defined in the Composite Document unless the context otherwise requires.

LETTER FROM THE BOARD

After trading hours on 26 January 2024, the Vendors and the Offerors entered into the Sale and Purchase Agreement, pursuant to which the Vendors agreed to sell and transfer, and the Offerors agreed to purchase, the Sale Shares free from all encumbrances for a cash Consideration of HK\$41,924,211.19. The Sale Shares, being the 21,829 KV Shares, representing approximately 76.78% of the total issued share capital of Keyview Ventures immediately before Completion. As at the Latest Practicable Date, Keyview Ventures held 1,050,000,000 Shares, representing 75% of the issued share capital of the Company.

Prior to Completion, save for the 6,600 KV Shares owned by Ms. Ou (representing approximately 23.22% of the total issued share capital of Keyview Ventures immediately before Completion), the Offerors and parties acting in concert with any one of them did not own, control or have direction over any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. Immediately following Completion, the Offerors and parties acting in concert with any one of them, through Keyview Ventures, owned 1,050,000,000 Shares, representing 75% of the total issued share capital of the Company as at the date of the Joint Announcement and the Latest Practicable Date. The Offerors are therefore required under Rule 26.1 of the Takeovers Code to make an Offer for all the issued Shares not already owned or agreed to be acquired by the Offerors and parties acting in concert with any one of them. The Offer is made to the Independent Shareholders.

Further details of the Offer are set out in the “Letter from Rainbow Capital” and Appendix I to this Composite Document of which this letter forms part, and in the accompanying Form of Acceptance.

The purpose of this Composite Document is to provide you with, among other things, information relating to the Group, the Offerors and the Offer, the recommendation of the Independent Board Committee to the Independent Shareholders and the “Letter from the Independent Financial Adviser” to the Independent Board Committee in relation to the Offer.

THE OFFER

Principal terms of the Offer

As disclosed in the “Letter from Rainbow Capital” on pages 10 to 21 of this Composite Document, Rainbow Capital is making the Offer for and on behalf of the Offerors to all the Independent Shareholders for all the issued Shares (other than those Shares already owned or agreed to be acquired by the Offerors and parties acting in concert with any one of them) on the following basis:

Offer Price for each Offer Share HK\$0.052 in cash

The Offer is unconditional in all respects and extended to all Independent Shareholders in accordance with the Takeovers Code.

LETTER FROM THE BOARD

Set out below is the calculation of the Offer Price:

Total number of Shares held by Keyview Ventures (A)	1,050,000,000
Total number of issued KV Shares (B)	28,429
Number of Shares represented by each KV Share (C = A / B)	36,934.1165
Number of the Sale Shares (D)	21,829
Number of Shares represented by the Sale Shares (E = C x D)	806,234,829.078
Consideration (F)	HK\$41,924,211.19
Offer Price (G = F / E)	HK\$0.052

The Offer Price is HK\$0.052 per Offer Share. As at the Latest Practicable Date, Mr. Zhong is the spouse of Ms. Ou, and Mr. Zhong JZ and Mr. Zhong RZ are the sons of Mr. Zhong and Ms. Ou.

As at the Latest Practicable Date, there are 1,400,000,000 Shares in issue and the Company does not have any outstanding options, warrants or derivatives or securities convertible or exchangeable into Shares.

The Offer is unconditional in all respects and extended to all Independent Shareholders in accordance with the Takeovers Code.

The Offer Shares to be acquired under the Offer shall be fully paid, free from all encumbrances and with all rights and benefits at any time accruing and attached to them, including the rights to receive all dividends and distributions declared, made or paid on or after the date on which the Offer is made, i.e. the date of this Composite Document. As at the Latest Practicable Date, none of the dividends declared by the Company remained unpaid. The Company confirms that it does not intend to declare any dividends during the Offer Period. The Offer is unconditional in all respects. Acceptance of the Offer tendered by the Independent Shareholders shall be unconditional and irrevocable once given and cannot be withdrawn except in circumstances set out in Rule 19.2 of the Takeovers Code.

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

INFORMATION OF THE GROUP

The Company was incorporated in the Cayman Islands as an exempted company with limited liability and its issued Shares have been listed on GEM since 30 June 2017.

The Company is an investment holding company incorporated in the Cayman Islands with limited liability. The Group is principally engaged in processing and trading of raw, frozen and cooked food products (which includes provision of transportation services) and the operation of restaurants in Hong Kong.

LETTER FROM THE BOARD

The following table sets out the shareholding structure of the Company (a) immediately before Completion; and (b) immediately after Completion and as at the Latest Practicable Date:

Shareholders	Immediately before Completion		Immediately after Completion and as at the Latest Practicable Date	
	Number of Shares	Percentage of shareholding (%)	Number of Shares	Percentage of shareholding (%)
Keyview Ventures	1,050,000,000	75	1,050,000,000	75
Public Shareholders	350,000,000	25	350,000,000	25
	<u>1,400,000,000</u>	<u>100</u>	<u>1,400,000,000</u>	<u>100</u>

The shareholding structures of Keyview Ventures (i) immediately before Completion; and (ii) immediately after Completion and as at the Latest Practicable Date are shown below:

Shareholders	Immediately before Completion		Immediately after Completion and as at the Latest Practicable Date	
	Number of KV Shares	Percentage of shareholding (approximately) (%)	Number of KV Shares	Percentage of shareholding (%)
Mr. KW Lai	6,975	24.53	–	–
Top Ocean	6,975	24.53	–	–
Ms. Ou	6,600	23.22	9,600	32
Mr. Yu	5,407	19.02	–	–
Ms. Li	1,350	4.75	–	–
Mr. Ho	815	2.87	–	–
Mr. Eldon Lai	307	1.08	–	–
Mr. Zhong	–	–	11,400	38
Mr. Zhong JZ	–	–	4,500	15
Mr. Zhong RZ	–	–	4,500	15
Total	<u>28,429⁽¹⁾</u>	<u>100</u>	<u>30,000⁽¹⁾</u>	<u>100</u>

LETTER FROM THE BOARD

Note:

1. Immediately after the Completion, Mr. Zhong subscribed and Keyview Ventures allotted and issued, 1,571 KV Shares at the price of US\$1 per KV Share, all of which were allotted and issued and fully paid up or credited as fully paid up.

Save as disclosed above, as at the Latest Practicable Date, the Directors did not have any interests in the Shares.

INTENTIONS OF THE OFFERORS REGARDING THE GROUP

Your attention is drawn to the paragraphs headed “Information on the Offerors” and “Intentions of the Offerors Regarding the Group” in the “Letter from Rainbow Capital” as set out on pages 10 to 21 of this Composite Document. The Board is aware of the intentions of the Offerors regarding the Group and is willing to render reasonable co-operation with the Offerors which is in the interests of the Company and the Independent Shareholders as a whole. The Board is aware that the Offerors intend to continue the existing principal business of the Group and have no plan and/or intention to downsize or change the scale of the Group’s existing principal businesses but will conduct a review of the existing principal businesses, operations, financial position and investments of the Group for the purpose of formulating long-term business plans and strategies for the future business development of the Group. The Board is also aware that (i) the Offerors have no intention to make material changes to the employment of the management and employees of the Group; (ii) the Offerors have no intention to dispose of or redeploy the assets of the Group other than those in its ordinary course of business; and (iii) as at the Latest Practicable Date, no investment or business opportunity has been identified nor has the Offerors entered into any agreement, arrangement, understandings or negotiation in relation to the injection or disposal of any assets or business into the Group. As at the Latest Practicable Date, the Board understand that no Directors intend to resign from the Board and the Offerors have not reached any final decision as to who will be nominated as new Director(s) of the Company.

PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY

The Board is aware that the Offerors do not intend to avail themselves of any powers of compulsory acquisition of any Shares outstanding after the close of the Offer. The Company will, together with the Offerors, use reasonable endeavours to maintain the listing status of the Shares on the Stock Exchange and procure that not less than 25% of the entire issued share capital in the Company be held by the public in compliance with the GEM Listing Rules.

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

LETTER FROM THE BOARD

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 for the Shares.

The Offerors intend the Company to remain listed on the Stock Exchange. The Offerors have undertaken and, if the Offerors identified any new Directors to join the Board, the Offerors will procure the new Directors to be appointed to the Board to jointly and severally undertake, to the Stock Exchange to take appropriate steps following the close of the Offer to ensure that sufficient public float exists in the Shares. As at the Latest Practicable Date, the Board is aware that the Offerors have not reached any final decision as to who will be nominated as new Director(s) of the Company.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

RECOMMENDATION

The Independent Board Committee, comprising all the independent non-executive Directors, namely, Mr. Chau Chun Wai, Mr. Lo Sun Tong and Mr. Lam Lai Kiu Kelvin, has been established to advise the Independent Shareholders as to whether the Offer is fair and reasonable so far as the Independent Shareholders are concerned, and as to acceptance of the Offer. Mr. Yu and Ms. Ou, non-executive Directors, are parties to the Sale and Purchase Agreement, and Ms. Ou is one of the Offerors, they are therefore considered to have direct interest in the Offer. Mr. Wong Wang Leong, a non-executive Director, is the son-in-law of Mr. Ho Wing Nin who is a major shareholder of Kam Lee (which owns the entire issued share capital of Top Ocean). Mr. Wong Wang Leong is therefore considered to have indirect interest in the Offer. As such, the Independent Board Committee does not comprise of Mr. Yu, Mr. Wong Wang Leong and Ms. Ou.

Your attention is drawn to (i) the “Letter from the Independent Board Committee” as set out on pages 29 to 30 of this Composite Document; and (ii) the “Letter from the Independent Financial Adviser” as set out on pages IFA-1 to IFA-32 of this Composite Document containing their respective advice and recommendation in respect of the Offer and principal factors considered by them in arriving at their recommendation.

LETTER FROM THE BOARD

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 to this Composite Document and the accompanying Form of Acceptance for further details in respect of the procedures for acceptance of the Offer and Appendix III to this Composite Document for the property valuation report issued by AVISTA Valuation Advisory Limited.

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

Yours faithfully,
On behalf of the Board of
Winning Tower Group Holdings Limited
Lai King Wah
Chairman and Executive Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Offer prepared for the purpose of inclusion in this Composite Document.

Winning Tower Group Holdings Limited

運興泰集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8362)

15 April 2024

To the Independent Shareholders

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY
RAINBOW CAPITAL (HK) LIMITED FOR AND ON BEHALF OF
THE OFFERORS TO ACQUIRE ALL OF THE ISSUED SHARES
IN THE ISSUED SHARE CAPITAL OF
WINNING TOWER GROUP HOLDINGS LIMITED
(OTHER THAN THOSE SHARES ALREADY OWNED OR AGREED
TO BE ACQUIRED BY THE OFFERORS AND
PARTIES ACTING IN CONCERT WITH ANY ONE OF THEM)**

We refer to this Composite Document dated 15 April 2024 jointly issued by the Company and the Offerors, of which this letter forms part. Unless the context otherwise requires, terms used in this letter shall have the same meanings as defined in this Composite Document.

We have been appointed to constitute the Independent Board Committee to consider the Offer and to advise you (i.e. the Independent Shareholders) as to whether or not the Offer is fair and reasonable so far as the Independent Shareholders are concerned, and to make recommendation in respect of the acceptance of the Offer. Messis Capital has been appointed with our approval as the Independent Financial Adviser to make recommendation to us in respect of the Offer and, in particular, whether the Offer is fair and reasonable so far as the Independent Shareholders are concerned, and to make recommendation in respect of the acceptance of the Offer. 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” on pages IFA-1 to IFA-32 of this Composite Document.

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

RECOMMENDATION

Taking into account the terms of the Offer and the Independent Financial Adviser's advice and recommendations, we consider that the Offer is not fair and reasonable and is not in the interests of the Independent Shareholders as a whole. Accordingly, we recommend the Independent Shareholders not to accept the Offer. Independent Shareholders are recommended to read the full text of the "Letter from the Independent Financial Adviser" set out in this Composite Document.

The Independent Shareholders are reminded to monitor the development of the Group, in particular the Offerors' business strategy and any announcements of the Company during and after the Offer Period.

In any case, the Independent Shareholders should read carefully the procedures for accepting the Offer as detailed in the Composite Document and are strongly advised that the decision to realise or to hold their investment in the Shares is subject to individual circumstances and investment objectives.

Yours faithfully,
For and on behalf of
the Independent Board Committee of
Winning Tower Group Holdings Limited

Mr. Chau Chun Wai
Independent
non-executive Director

Mr. Lo Sun Tong
Independent
non-executive Director

Mr. Lam Lai Kiu Kelvin
Independent
non-executive Director

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of a letter of advice from Messis Capital Limited to the Independent Board Committee in respect of the Offer which has been prepared for the purpose of incorporation in the Composite Document.

MESSIS 大有融資

15 April 2024

To: The Independent Board Committee and the Independent Shareholders

Dear Sirs,

**MANDATORY UNCONDITIONAL CASH OFFER BY
RAINBOW CAPITAL (HK) LIMITED FOR AND ON BEHALF OF
THE OFFERORS TO ACQUIRE ALL OF THE ISSUED SHARES
IN THE ISSUED SHARE CAPITAL OF
WINNING TOWER GROUP HOLDINGS LIMITED
(OTHER THAN THOSE SHARES ALREADY OWNED OR AGREED
TO BE ACQUIRED BY THE OFFERORS AND
PARTIES ACTING IN CONCERT WITH ANY ONE OF THEM)**

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Offer and as to the acceptance of the Offer. Details of the Offer are set out in the composite document of the Company dated 15 April 2024 (the “**Composite Document**”), of which this letter forms a part. Terms used in this letter shall have the same meanings as those defined in the Composite Document unless the context otherwise requires.

The Offerors, namely Mr. Zhong, Ms. Ou, Mr. Zhong JZ and Mr. Zhong RZ, the purchasers of the Sale and Purchase Agreement and the Company jointly announced that on 1 February 2024 (after trading hours), the Vendors and the Offerors entered into the Sale and Purchase Agreement, pursuant to which the Vendors agreed to sell and transfer, and the Offerors agreed to purchase, the Sale Shares free from all encumbrances for a cash Consideration of HK\$41,924,211.19. The Sale Shares, being the 21,829 KV Shares, representing approximately 76.78% of the total issued share capital of Keyview Ventures immediately before Completion, which took place on 26 January 2024.

After the Completion, the Offerors in aggregate held 28,429 KV Shares, representing the entire issued share capital of Keyview Ventures. Immediately after the Completion, Mr. Zhong subscribed and Keyview Ventures allotted and issued, 1,571 KV Shares at the price of US\$1 per KV Share, all of which were allotted and issued and fully paid up or credited as fully paid up.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Subsequent to the allotment, Keyview Ventures was owned as to 38% by Mr. Zhong, 32% by Ms. Ou, 15% by Mr. Zhong JZ and 15% by Mr. Zhong RZ, respectively. Immediately after the Completion the Offerors and parties acting, and presumed to be acting, in concert with them, through Keyview Ventures, hold 1,050,000,000 Shares, representing 75% of the issued share capital of the Company.

The Offerors are therefore required under Rule 26.1 of the Takeovers Code to make an Offer for all the issued Shares not already owned or agreed to be acquired by the Offerors and parties acting in concert with them. The Offer is made to the Independent Shareholders. As at the Latest Practicable Date, the Company has 1,400,000,000 Shares in issue and the Company has no other outstanding Shares, options, warrants, derivatives or other securities that are convertible or exchangeable into Shares or other relevant securities in the Company (as defined in Note 4 to Rule 22 of the Takeovers Code).

Rainbow Capital is making the Offer on behalf of the Offerors on the following basis:

For each Offer Share. HK\$0.052 in cash

The Offer Price is calculated based on the (i) total number of Shares held by Keyview Venture; (ii) total number of total issued KV Shares; (iii) number of Shares represented by each KV Share; (iv) number of Shares represented by the Sale Shares; and (v) the consideration under the Sales and Purchase Agreement.

The Offer Shares to be acquired under the Offer shall be fully paid up and free from all encumbrance and together with all rights and benefits attaching thereto as at the date of the Composite Document or subsequently becoming attached to them, including but not limited to the right to receive in full all dividends, distributions and any return of capital, if any, which may be made or declared or agreed to be made or declared, and the record date of which falls on or after the date on which the Offer is made, being the date of despatch of the Composite Document.

As set out in the “Letter from the Board”, the Company confirms that as at the Latest Practicable Date, (i) it has not declared any dividend which is not yet paid; and (ii) it does not have any intention to declare or pay any future dividend or make other distributions prior to and including the date of closing of the Offer.

For the principal terms of the Offer, together with the information of the Offerors and the Offerors’ intention regarding the Group, please refer to the “Letter from Rainbow Capital” contained in the Composite Document.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all the independent non-executive Directors and non-executive Directors who have no direct or indirect interest in the Offer, namely Mr. Chau Chun Wai, Mr. Lo Sun Tong and Mr. Lam Lai Kiu Kelvin, was established pursuant to

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Rule 2.1 of the Takeovers Code to advise the Independent Shareholders as to whether the Offer is fair and reasonable and whether the Offer is in the interests of the Independent Shareholders as a whole and as to the acceptance of the Offer. As Mr. Yu and Ms. Ou, who are non-executive Directors, are parties to the Sale and Purchase Agreement, and Ms. Ou is one of the Offerors, they are therefore considered to have direct interest in the Offer. As Mr. Wong Wang Leong, a non-executive Director, is the son-in-law of Mr. Ho Wing Nin who is a major shareholder of Kam Lee (which owns the entire issued share capital of Top Ocean), Mr. Wong Wang Leong is considered to have indirect interest in the Offer. As such, the Independent Board Committee does not comprise Mr. Yu, Mr. Wong Wang Leong and Ms. Ou.

We, Messis Capital Limited, have been appointed with the Independent Board Committee's approval pursuant to Rule 2.1 of the Takeovers Code as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders 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. As at the Latest Practicable Date, we were independent from and not connected with the Group pursuant to Rule 17.96 of the GEM Listing Rules, and we have not acted as an independent financial adviser to the Company's other transactions in the past two years. No arrangement exists whereby affects our independence in relation to our appointment as the Independent Financial Adviser. Therefore, we are considered eligible to give independent advice on the Offer under the requirement of the GEM Listing Rules. As at the Latest Practicable Date, we are not in the same group as the financial or other professional advisers (including a stockbroker) to the Company or the Offerors, and we are not associated with the Offerors or the Company or any party acting, or presumed to be acting in concert with any of them and we had not had any connection, financial assistance or otherwise, with either the Offerors or the Company or the controlling shareholder(s) or the substantial shareholder(s) of either of them, therefore we are considered independent and suitable to give independent advice to the Independent Board Committee and the Independent Shareholders pursuant to Rule 2.6 of the Takeovers Code.

This letter contains our advice to the Independent Board Committee and the Independent Shareholders as to (i) whether the Offer is fair and reasonable; (ii) whether the Offer is in the interests of the Independent Shareholders as a whole; and (iii) the acceptance of the Offer.

BASIS OF OUR OPINION

In formulating our advice, we have relied solely on the statements, information, opinions and representations contained in the Composite Document and the information and representations provided to us by the Group and/or the Directors and/or the senior management of the Company (the "**Management**"). We have assumed that all such statements, information, opinions and representations contained or referred to in the Composite Document or otherwise provided or made or given by the Group and/or the Directors and/or the Management are true and accurate. We have assumed that all statements, information and representations provided by the Directors and the Management, for which they are solely responsible, are true and accurate at the time when they were provided and continue to be so as at the Latest Practicable Date. Should there be any subsequent material changes which occur during the period from the date of

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

the Composite Document up to the date of closing of the Offer, we will notify the Independent Board Committee and the Independent Shareholders as soon as possible. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in this Composite Document were reasonably made after due enquiry 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 Company, its adviser and/or the Directors, which have been provided to us. We have also relied on certain information available to the public and have assumed such information to be accurate and reliable and there are no reasons to doubt the accuracy and reliability of such public information.

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 Offerors and parties acting in concert with any one of them) 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 Offerors (in their capacity as Offerors) and parties acting in concert with any one of them) 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 the Composite Document misleading.

We consider that we have reviewed all information and documents which are made available to us to enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our advice. We have not, however, carried out any independent verification of the information provided, nor have we conducted any independent investigation into the business and affairs of the Offerors and the Group or any of their respective associates or any party acting, or presumed to be acting, in concert with any of them.

We have not considered the tax implications on the Independent Shareholders of their acceptances or non-acceptances of the Offer (as the case may be) since these are particular to their own individual circumstances. In particular, the Independent Shareholders who are resident outside Hong Kong or subject to overseas taxes or Hong Kong taxation on securities dealings should consider their own tax position with regard to the Offer and, if in any doubt, should consult their own professional advisers.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

PRINCIPAL FACTORS TAKEN INTO CONSIDERATION ON THE OFFER

In assessing the Offer and in giving our recommendations to the Independent Board Committee and the Independent Shareholders, we have taken into account the following principal factors and reasons:

1. Background and financial information of the Group

The Group is principally engaged in processing and trading of raw, frozen and cooked food products (which includes provision of transportation services) and the operation of restaurants in Hong Kong.

Set out below is a summary of (i) the audited consolidated financial information of the Group for the year ended 31 December 2021, 2022 and 2023, respectively, as extracted from annual report of the Company for the year ended 31 December 2022 (“**2022 Annual Report**”) and the annual report of the Company for the year ended 31 December 2023 (“**2023 Annual Report**”), respectively; and (ii) the unaudited consolidated financial information of the Group for the six months ended 30 June 2022 and 2023, as extracted from the Company’s interim report for the six months ended 30 June 2023 (“**2023 Interim Report**”):

1.1 Financial results for the year ended 31 December 2023

Consolidated statement of profit or loss of the Group for the year ended 31 December 2022 and 2023

	For the year ended	
	31 December	
	2023	2022
	HK\$'000	HK\$'000
	(audited)	(audited)
Total revenue	108,383	93,299
(i) Processing and trading of food products (which includes the transportation services)	79,073	67,242
(a) Sales of food products	78,992	66,908
(b) Income from the provision of transportation services	81	334
(ii) Restaurant operation	29,310	26,057
Loss before tax from operations	(2,536)	(14,406)
Loss before tax	(2,975)	(14,959)
Loss for the year	(3,104)	(13,563)
Loss attributable to the Shareholders	(3,199)	(9,580)

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Group's total revenue increased from approximately HK\$93.3 million to approximately HK\$108.4 million, representing an increase of approximately 16.2% from the year ended 31 December 2022 to the year ended 31 December 2023, which was primarily due to the (i) increase in revenue generated from the sales of food products of approximately HK\$12.1 million; and (ii) increase in restaurant operation of approximately HK\$3.3 million, resulting from the gradual recovery of airline catering services and general catering providers to pre-pandemic levels once the pandemic subsides and normalcy is restored. The income from the provision of transportation services was further decreased from HK\$334,000 to approximately HK\$81,000 during the same period, representing a decrease of 75.7%, for the reasons that the major client in the logistics service sector who procured the Company's transportation services for the year ended 31 December 2021 has discontinued their transportation services since February 2022 and ceased procurement of the relevant services from the Company.

The loss before tax from operations of the Group was approximately HK\$2.5 million for the year ended 31 December 2023, representing a decrease of approximately 82.6% from approximately HK\$14.4 million for the year ended 31 December 2022, which was primarily due to the (i) increase in gross profit of approximately HK\$6.3 million; (ii) the decrease in depreciation of approximately HK\$3.4 million as a result of the (a) decrease in depreciation of property, plant and equipment of approximately HK\$1.5 million; and (b) decrease in depreciation of right-of-use assets of approximately HK\$1.9 million; and (iii) decrease in impairment of right-of-use assets from approximately HK\$3.3 million for the year ended 31 December 2022 to nil for the year ended 31 December 2023.

Consolidated statements of financial position of the Group as at 31 December 2022 and 2023

	As at 31 December 2023	As at 31 December 2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)
Total assets	120,628	132,144
Total liabilities	33,772	42,268
Net assets attributable to the Shareholders	92,230	95,345

The Company's total assets lowered to approximately HK\$120.6 million as at 31 December 2023 from approximately HK\$132.1 million as at 31 December 2022, which was primarily attributable to the decrease in the non-current assets position, where the right-of-use assets decreased by approximately HK\$10.3

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million and the property, plant and equipment decreased by approximately HK\$1.3 million.

The total liabilities of the Company decreased by HK\$8.5 million from approximately HK\$42.3 million for the year ended 31 December 2022 to approximately HK\$33.8 million for the year ended 31 December 2023, which was primarily due to the decrease in total non-current liabilities, resulting from the decrease in lease liabilities from approximately HK\$11.6 million to approximately HK\$2.2 million.

1.2 Financial results for the six months ended 30 June 2023

Consolidated statements of profit or loss of the Group for the six months ended 30 June 2022 and 2023

	For the six months	
	ended 30 June	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Total revenue	52,030	56,101
(i) Processing and trading of food products	37,498	44,790
(a) Sales of food products	37,453	44,487
(b) Income from the provision of transportation services	45	303
(ii) Restaurant operation	14,532	11,311
Loss before tax from operations	(2,968)	(5,582)
Loss before tax	(3,197)	(5,876)
Loss for the period	(3,197)	(5,805)
Loss attributable to the Shareholders	(2,952)	(5,201)

The total revenue of the Group as recorded decreased from approximately HK\$56.1 million for the six months ended 30 June 2022 to approximately HK\$52.0 million for the six months ended 30 June 2023, representing a decrease of approximately 7.3%, which was primarily due to the decrease in sales of food products of approximately 15.7%, from approximately HK\$44.5 million for the six months ended 30 June 2022 to HK\$37.5 million for the six months ended 30 June 2023. The income generated from the restaurant operation was relatively higher as approximately HK\$14.5 million for the six months ended 30 June 2023 compared with the income from the same segment as recorded of approximately HK\$11.3 million for the six months ended 30 June 2022.

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The loss before tax from operations of the Group decreased from approximately HK\$5.6 million for the six months ended 30 June 2022 to approximately HK\$3.0 million for the six months ended 30 June 2023, representing a decrease of approximately 46.4%, which was mainly due to the (i) increase in the gross profit of approximately 23.4% from approximately HK\$19.2 million for the six months ended 30 June 2022 to approximately HK\$23.7 million for the six months ended 30 June 2023; and (ii) decrease in depreciation of approximately 28.6% from approximately HK\$5.6 million for the six months ended 30 June 2022 to approximately HK\$4.0 million for the six months ended 30 June 2023, which was primarily attributable to (a) decrease in depreciation of property, plant and equipment of approximately HK\$0.7 million; and (b) decrease in depreciation of right-of-use assets of approximately HK\$0.9 million.

Consolidated statements of financial position of the Group as at 30 June 2022 and 31 December 2022

	As at 30 June 2023	As at 31 December 2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(audited)
Total assets	127,939	132,144
Total liabilities	39,966	42,268
Net assets attributable to the Shareholders	93,687	95,345

The Group's total assets decreased from approximately HK\$132.1 million as at 31 December 2022 to approximately HK\$127.9 million as at 30 June 2023, which was primarily due to the decrease in total non-current assets resulting from (i) the decrease in property, plant and equipment from approximately HK\$28.4 million as at 31 December 2022 to approximately HK\$27.3 million as at 30 June 2023; and (ii) the decrease in right-of-use assets of approximately 2.0% from approximately HK\$64.2 million as at 31 December 2022 to approximately HK\$62.9 million as at 30 June 2023.

The Group's total liabilities decreased from approximately HK\$42.3 million as at 31 December 2022 to approximately HK\$40.0 million as at 30 June 2023, which was mainly attributable to the decrease in the lease liabilities in non-current position of approximately 28.4% from approximately HK\$11.6 million as at 31 December 2022 to approximately HK\$8.3 million as at 30 June 2023.

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1.3 Financial results for the year ended 31 December 2022

Consolidated statement of profit or loss of the Group for the year ended 31 December 2021 and 2022

	For the year ended	
	31 December	
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)
Total revenue	93,299	86,006
(i) Processing and trading of food products (which includes the transportation services)	67,242	59,372
(a) Sales of food products	66,908	56,460
(b) Income from the provision of transportation services	334	2,912
(ii) Restaurant operation	26,057	26,634
Loss before tax from operations	(14,406)	(25,579)
Loss before tax	(14,959)	(26,121)
Loss for the year	(13,563)	(26,128)
Loss attributable to the Shareholders	(9,580)	(23,133)

According to the 2022 Annual Report, the total revenue of the Group as recorded increased from approximately HK\$86.0 million for the year ended 31 December 2021 to approximately HK\$93.3 million for the year ended 31 December 2022, representing an increase of approximately 8.5%, which was primarily due to the increase in sales of food products of approximately 18.5% during the same period, which was benefited from the exploration of new business in trading and processing of raw and frozen food products of the Company during the year, by providing processing services (i.e. cutting and packaging of frozen food) to customers who are mainly food traders, with the increase in revenue recorded from such new services of approximately HK\$1.9 million from the year ended 31 December 2021 to the year ended 31 December 2022. During the same period, the income from provision of transportation services was lowered from approximately HK\$2.9 million to approximately HK\$334,000, which was mainly due to the major client in the logistics service sector who procured the Company's transportation services for the year ended 31 December 2021 has discontinued their transportation services since February 2022 and ceased procurement of the relevant services from the Company. The income generated from the operation restaurants of the Group remained relatively stable during the year ended 31 December 2022, which was approximately HK\$26.6 million for the year ended 31 December 2021 and approximately HK\$26.1 million for the year ended 31 December 2022, respectively.

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The loss before tax from operations of the Group decreased from approximately HK\$25.6 million for the year ended 31 December 2021 to approximately HK\$14.4 million for the year ended 31 December 2022, representing a decrease of approximately 43.8%, which was mainly due to the (i) increase of approximately 1.9 times in other income primarily resulting from the increase in government grants and subsidies by approximately 5.75 times, which was approximately HK\$0.4 million for the year ended 31 December 2021 and approximately HK\$2.7 million for the year ended 31 December 2022; (ii) decrease of 41.9% in impairment of property, plant and equipment from approximately HK\$4.3 million for the year ended 31 December 2021 to approximately HK\$2.5 million for the year ended 31 December 2022; and (iii) decrease of approximately 45.3% in impairment of right-of-use assets from approximately HK\$6.0 million for the year ended 31 December 2021 to approximately HK\$3.3 million for the year ended 31 December 2022.

Consolidated statements of financial position of the Group as at 31 December 2021 and 2022

	As at 31 December 2022	As at 31 December 2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)
Total assets	132,144	153,843
Total liabilities	42,268	48,477
Net assets attributable to the Shareholders	95,345	106,852

The Group's total assets decreased from approximately HK\$153.8 million as at 31 December 2021 to approximately HK\$132.1 million as at 31 December 2022, which was primarily due to the decrease in total non-current assets by approximately HK\$16.67 million from 31 December 2021 to 31 December 2022, which mainly results from the decrease in right-of-use assets of approximately 20.7% from HK\$81.0 million as at 31 December 2021 to HK\$64.2 million as at 31 December 2022, after taking into account the (i) deficit on revaluation of approximately HK\$6.8 million on the Group's leasehold land in Hong Kong; (ii) the depreciation charged on the leasehold land and leased buildings of approximately HK\$6.8 million; and (iii) impairment of right-of-use assets of approximately HK\$3.3 million.

The Group's total liabilities decreased from approximately HK\$48.5 million as at 31 December 2021 to approximately HK\$42.3 million as at 31 December 2022, which was mainly attributable to the decrease in the lease liabilities from approximately HK\$17.9 million as at 31 December 2021 to approximately HK\$11.6 million as at 31 December 2022, mainly resulting from the (i) accretion

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of interest from lease liabilities of approximately HK\$0.5 million as recognised during the year ended 31 December 2022; and (ii) lease payments of approximately HK\$6.5 million to the lessors during the year ended 31 December 2022.

1.4 Dividends

Save as a quarterly dividend of HK\$0.01 per share amounted to HK\$14,000,000 was declared on 28 October 2020 and was paid on 7 December 2020, no dividend had been declared for the year ended 31 December 2020, 2021, 2022 and 2023, respectively, according to the annual reports of the Group for the year ended 31 December 2020, 2021, 2022 and 2023, respectively.

1.5 Overall view on the financial performance and position of the Group

We noted that the total revenue of the Group increased by approximately HK\$7.3 million from the year ended 31 December 2021 to the year ended 31 December 2022, and further increased by approximately HK\$15.1 million from the year ended 31 December 2022 to the year ended 31 December 2023, representing an increase of approximately 8.5% and an increase of approximately 16.2%, respectively. The loss for the year of the Group decreased from approximately HK\$26.1 million to approximately HK\$13.6 million from the year ended 31 December 2021 to the year ended 31 December 2022, and further decreased to approximately HK\$3.1 million for the year ended 31 December 2023, representing a decrease of 47.9% and a decrease of approximately 77.2%, respectively. We considered that the Company has improved its business operation efficiency and utilisation of capacity in its two segments, the processing and trading of food products (which includes the transportation service) and the restaurant operation.

Pursuant to a joint venture agreement (“**Joint Venture Agreement**”) dated 2 June 2021 entered into among (i) Winning Tower Group Limited, a subsidiary of the Group, (ii) Skyye Limited; and (iii) Dynasty Time Limited, the joint venture (“**Joint Venture**”) which is owed as to 60% by Winning Tower and as to 40% by Skyye Limited respectively, the Group will be the main supplier of all food and beverage ingredients for all the operating restaurants of the Joint Venture. It was noted that Dynasty Time Limited is a corporate vehicle which was incorporated on 1 April 2021 for the joint participation of the catering and food business in Hong Kong (the “**Joint Venture Business Relationship**”). It is observed that the revenue generated from such Joint Venture Business Relationship accounted for approximately 8.3% and 10.1% of the total revenue of the Group for the year ended 31 December 2022 and 31 December 2023, respectively. We have reviewed the revenue breakdown for the restaurant operation segment for the year ended 31 December 2023 and noted that the revenue from the Joint Venture represented approximately 37.4% of the revenue as recognised under restaurant operation business segment, while the revenue from two other restaurants, which are still in operation, accounted for approximately 62.6% of the

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revenue as recorded under the restaurant operation segment. Hence, with the ceased operation of the restaurant under the Joint Venture in February 2024, we considered the Company will still have substantive business under the restaurant operation segment.

We also noted that since the year ended 31 December 2018, the net assets attributable to the owners of the Company has been recognised positive and maintained approximately HK\$92.2 million as at 31 December 2023 without any substantial fluctuations during the six-year period, though the outbreak of fifth wave of the COVID-19 pandemic in late December 2021 had adverse influence on the catering and food industry in Hong Kong.

Given (i) the catering and food industry in Hong Kong, the sector where the Company's principal businesses are belonging to, is expected to gradually recover and grow steadily under the supportive government policies since the global promotional campaign of "Hello Hong Kong" in February 2023 and the subsequent series of activities conducted by Hong Kong Tourism Board (HKTB) to attract tourists to Hong Kong, whereby the Company has received more orders from the airline catering companies under such positive impact, revenue of which recognised an increase of approximately 32.1% from approximately HK\$29.6 million for the year ended 31 December 2022 to approximately HK\$39.1 million for the year ended 31 December 2023; (ii) we are informed from the Management that though the only restaurant which was operated under the Joint Venture ceased its operation in February 2024, as of the Latest Practicable Date the Joint Venture is currently locating new business opportunities such as opening a new restaurant in Hong Kong, which would contribute to the Group's revenue by serving as the main supplier as stipulated under the Joint Venture Agreement; and (iii) the Group has promoted online sales through two online platforms: (a) Jettfoods.com, an online platform established by the Company since 2013; and (b) HKTVmall, a large Hong Kong shopping platform where the Group joined in 2020, for the purpose of enhancing its customer base and adapting to the changing consumption style of the customers in Hong Kong who has increasing demand in online shopping for food delivery, we considered that the future sales and revenue of the Group will be enhanced.

1.6 Outlook of the Group

According to the 2022 Annual Report dated 20 March 2023, the Group is optimistic about the rebound of the business of the Group taking into account (i) the relaxation policy of social distancing restrictions for the COVID-19 pandemic adopted by the government; (ii) the supportive promotional campaign of "Hello Hong Kong" in February 2023 which is expected to benefit the catering and food business in Hong Kong; and (iii) the promotion of the online sales adopted by the Management considering the customers' consumption style has gradually switched to the online purchase. It is also observed from the 2023 Annual Report that the Directors considered the future sales and revenue of the Group will be strengthened for the

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reason that under the Joint Venture Business Relationship as mentioned above, the Group will serve as the main supplier of all food and beverage ingredients for all the operating restaurant(s) of the Joint Venture pursuant to the Joint Venture Agreement. Though the only restaurant of the Joint Venture was closed in February 2024, the Group and the Joint Venture is exploring new business opportunities and have not identified the appropriate business opportunity as of the Latest Practicable Date. We considered it is reasonable to foresee that the Group will formulate a better business strategy from time to time adapting to the changing business environment and economic circumstances given (i) they have conducted promotion of online sales via online channels considering more and more customers prefer to order online; and (ii) they have built up Joint Venture Business Relationship with strategic partner to occupy more food and beverage industry market share. Moreover, we noted from the Company that the Management also keep enhancing themselves to keep track with the latest market trends and the recent government policies or activities in support of the catering and food business in Hong Kong, and studying to see whether any potential business opportunities available to improve the Group's business operation. As of the Latest Practicable Date, there is no concrete plan carried out since 31 December 2023, being the date to which the latest published audited consolidated financial statements of the Group was made up.

Pursuant to the Hong Kong budget 2024–2025 as released on 28 February 2024, authorities earmark HK\$1.09 billion for city's drive to boost the local tourism trade as the government presses ahead with plans to offer more cultural experiences and mega events catering to a new generation of travellers. According to the financial secretary of HKSAR Paul Chan Mo Po, upon picking up of the travel industry and bringing more high-spending tourists to Hong Kong, it is expected that the retail, food and beverage and other sectors will benefit accordingly.

For the processing and trading of food products segment, as observed by the Company, the Company has benefited from the supportive government measures since February 2023 for the recovery of Hong Kong economy and the tourist business based on more orders are received from the airline catering companies.

For the restaurant operation segment, with the gradual recovery of Hong Kong economy and more travelers coming to Hong Kong, the Company also recorded a relatively higher turnover. Since it is forecasted that there will be a gradual upward trend for the Hong Kong economy with the growth rate by 2.5% to 3.5% in 2024 according to the website of the Hong Kong Economy under the "Latest Development" webpage, we considered that both the processing and trading of food products segment and the restaurant operation segment are expected to be provided more business opportunities and thus enhance the business performance.

Further, per the report on "Processed Food and Beverages Industry in Hong Kong" as released by the Hong Kong Trade Development Council (HKTDC) on 27 July 2023, the growth of convenience foods, such as microwavable and packaged

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foods, is looking promising. It also mentioned that as online shopping and deliveries of fresh food items have become popular in many large cities in recent years, cold-chain logistics capabilities are now a valuable component in corporate competitiveness.

In this regard, we considered that leveraging on the aforementioned promotion of online sales via both the self-owned online platform and the HKTVmall, it is reasonable to foresee that in the circumstances where customers are more favourable for online shopping which will also entertain their demands for fresh food items, the Group, when trading the raw, frozen and cooked food products, taking advantage of its own cold-chain logistics capabilities, will undoubtedly broaden their customer base and occupy more market shares via online sales channels.

It is also observed that more and more Hong Kong people traveled across the border to mainland China on weekend and holidays for consumption since second half of 2023, which has inevitably resulted in less turnover from the Hong Kong people to the local restaurants or retail stores. Moreover, when coming back from mainland, the Hong Kong people may also take back some food for later consumption. Undoubtedly such changing consumption behaviours will bring the local food and beverage industry to record less sale revenue from Hong Kong people. However, it is also submitted that the vigorous desire of travelling by the Hong Kong people stimulates the demand for inflight catering, which have mitigated the negative impact placed by the cross-border consumption behaviour by the Hong Kong people. For the Company, though most of its customers are local retail stores or restaurants whose business would be adversely affected by the Hong Kong people's cross-boarder consumption behaviours, the Company confirmed that the revenue from the customers who are airline catering companies has mitigated the aforementioned negative impact on the Company's business, where the revenue from such airline catering companies accounted for approximately 29.2% of the total revenue as recorded by the Company for the first half of year 2023 and represented a much higher percentage level as approximately 42.4% of the total revenue as recognised by the Company for the second half of 2023.

In summary, as what has been discussed above, balancing on the positive impact from the (i) supportive government policies and measures for tourism; (ii) changing consumption behaviours to online order and delivery; and the negative impact from Hong Kong people's cross-border consumption behaviours, we are of the view that the business performance of both the principal business segments of the Company (i.e. processing and trading of food products segment (including its provision of transportation services) and restaurant operation segment) will be benefited from the Hong Kong budget 2024–2025 and in an uptrend on prospects.

2. Information of the Offerors and Their Intentions in relation to the Group

2.1 The Offerors

Mr. Zhong, aged 51, has more than 20 years of experience in the business of food supplying in the PRC and Hong Kong. Mr. Zhong is a shareholder of Guangzhou City Ge Yun Trading Company Limited, a company incorporated in the PRC and principally engaged in the supply of frozen vegetables. Throughout his career in the food supplying industry, Mr. Zhong has accumulated extensive experience in the management of food-related business.

Ms. Ou, aged 47, is the spouse of Mr. Zhong. Ms. Ou is a non-executive Director. Mr. Zhong JZ, aged 22, and Mr. Zhong RZ, aged 22, are the sons of Mr. Zhong and Ms. Ou. Ms. Ou has more than 19 years of experience in food industry in China and had been a business manager of Guangzhou Shunmin Fenglong Agricultural Products Co., Ltd. (廣州順民豐隆農產有限公司), a company established in the PRC and principally engaged in the supply of frozen vegetables, which is beneficially owned as to 90% by Mr. Zhong and Ms. Ou.

Ms. Ou is (i) the spouse of Mr. Zhong and mother of Mr. Zhong JZ and Mr. Zhong RZ; (ii) a non-executive Director; and (iii) a shareholder of Keyview Ventures holding approximately 23.22% of the issued share capital of Keyview Ventures immediately before Completion and has been treated as a substantial shareholder of the Company. As such, the Offerors and parties acting in concert with them are not Independent Third Parties.

As at the Latest Practicable Date, Mr. Zhong and Ms. Ou, through Keyview Ventures, who are interested in 75% of the total issued share capital of the Company, are also treated as the controlling shareholders of the Company under the GEM Listing Rules.

Given that (i) Mr. Zhong has more than 20 years of experience in the business of food supplying in the PRC and Hong Kong; (ii) Ms. Ou, who was appointed as a non-executive Director since August 2019, was familiar with the Company's business model and business strategy; and (iii) Ms. Ou has more than 19 years of experience in food industry in China and accumulated business management experience in a produce company in Guangzhou, we are of the view that the extensive food industry experiences from the Offerors are expected to contribute to the future business development and operation of the Company, which should be a positive factor for the Shareholders to consider not to accept the Offer.

2.2 The Offerors' intention in relation to the Company's business

The intention of the Offerors is that the Company's existing principal business activities will be maintained and continued after completion of the Offer. The Offerors

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confirm that there is no intention to divest the existing businesses of the Company unless appropriate opportunities arise after the end of the Offer Period and have no plan and/or intention to downsize or change the scale of the Group's existing principal business. As at the Latest Practicable Date, the Offerors have not identified any prospective opportunities. With the market expectation of cutting interest rate in the latter half of 2024, the overall economy of Hong Kong is anticipated to improve and opportunities arise. In order to leverage on the potential uprising economy, after the Offer Period, the Offerors will conduct a review of the existing principal businesses, operations, financial position and investments of the Group for the purpose of formulating long-term business plans and strategies for the future business development of the Group. Leveraging on Mr. Zhong's and Ms. Ou's experience, industry knowledge and network in the food industry, the Offerors intend to explore more related business opportunities for the Group in the future.

Subject to the results of the review, the Offerors may explore other business opportunities and consider whether any asset disposals, asset acquisitions, business rationalisation, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance the long-term growth potential of the Group. As at the Latest Practicable Date, no investment or business opportunity has been identified nor have the Offerors entered into any agreement, arrangement, understanding or negotiation in relation to the injection or disposal of any assets or business into the Group. Should such corporate actions materialise, further announcement(s) will be made in accordance with the GEM Listing Rules.

2.3 Proposed change to the Board composition of the Company

The Offerors intend to continue the employment of the existing management and employees of the Group (except for a proposed change to the members of the Board at a time no earlier than that permitted under the Takeovers Code or such later time as the Offerors consider to be appropriate).

The Offerors intend to nominate new director(s) to the Board with effect from a date which is no earlier than such date as permitted under the GEM Listing Rules and the Takeovers Code or such later date as the Offerors consider to be appropriate. Any changes to the members of the Board will be made in compliance with the Takeovers Codes and/or the GEM Listing Rules and further announcement(s) will be made as and when appropriate. As at the Latest Practicable Date, no Directors intend to resign from the Board, the Offerors have not identified any potential candidates as Directors, accordingly no change arrangement on the Board composition has been decided.

In summary, save as the Offerors' intention regarding the Group as set out above, (i) the Offerors have no intention to make material changes to the employment of the management and employees of the Group; and (ii) the Offerors have no intention to dispose of or redeploy the assets of the Group other than those in its ordinary and usual course of business.

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2.4 Listing status of the Company and public float

It is noted that the Offerors intend to maintain the listing of the Shares on the Stock Exchange after the close of the Offer and will undertake to the Stock Exchange to take appropriate steps to ensure that a sufficient public float exists for the Shares. For details, please refer to the paragraphs headed “Public float and maintaining the listing status of the Company” under the section headed “Letter from Rainbow Capital” in the Composite Document. It is further noted that the Offerors do not intend to avail themselves of any powers of compulsory acquisition of any Shares outstanding after the close of the Offer.

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:

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

it will consider exercising its discretion to suspend dealings in the Shares. The Offerors have undertaken and any new Director(s) to be appointed will jointly and severally undertake to the Stock Exchange to take appropriate steps (e.g. placing down of existing Shares by Keyview Ventures) following the close of the Offer to ensure that not less than 25% of the issued share capital of the Company are held by the public within the prescribed time frame. As at the Latest Practicable Date, no placing agent has been identified for the potential placing down of Shares, and the Offerors have not reached any final decision as to who will be nominated as new Director(s) of the Company.

3. Principal terms of the Offer

3.1 Comparison of Offer Price

The Offer Price of HK\$0.052 per Offer Share represents:

- (i) a discount of approximately 44.09% to the closing price of HK\$0.093 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a premium of approximately 48.57% to the closing price of HK\$0.035 per Share as quoted on the Stock Exchange on 26 January 2024, being the Last Trading Day;

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- (iii) a premium of approximately 52.94% to the average closing price of approximately HK\$0.034 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately prior to and including the Last Trading Day;
- (iv) a premium of approximately 64.04% to the average closing price of approximately HK\$0.0317 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days immediately prior to and including the Last Trading Day;
- (v) a premium of approximately 77.47% to the average closing price of approximately HK\$0.0293 per Share as quoted on the Stock Exchange for the last thirty (30) consecutive trading days immediately prior to and including the Last Trading Day;
- (vi) a discount of approximately 23.64% over the net asset value per Share of approximately HK\$0.06810 as at 31 December 2022 (based on a total of 1,400,000,000 Shares in issue as at the date of the Joint Announcement and the audited consolidated net asset value attributable to the owners of the Company of approximately HK\$95,345,000 as at 31 December 2022); and
- (vii) a discount of approximately 16.18% over the net asset value per Share of approximately HK\$0.06204 as at 31 December 2023 (based on a total of 1,400,000,000 Shares in issue as at the Latest Practicable Date and the audited consolidated net asset value attributable to the owners of the Company of approximately HK\$86,856,000 as at 31 December 2023).

We have conducted further analysis on the fairness and reasonableness of the Offer Price as presented below.

3.2 Analysis of historical Share price movement

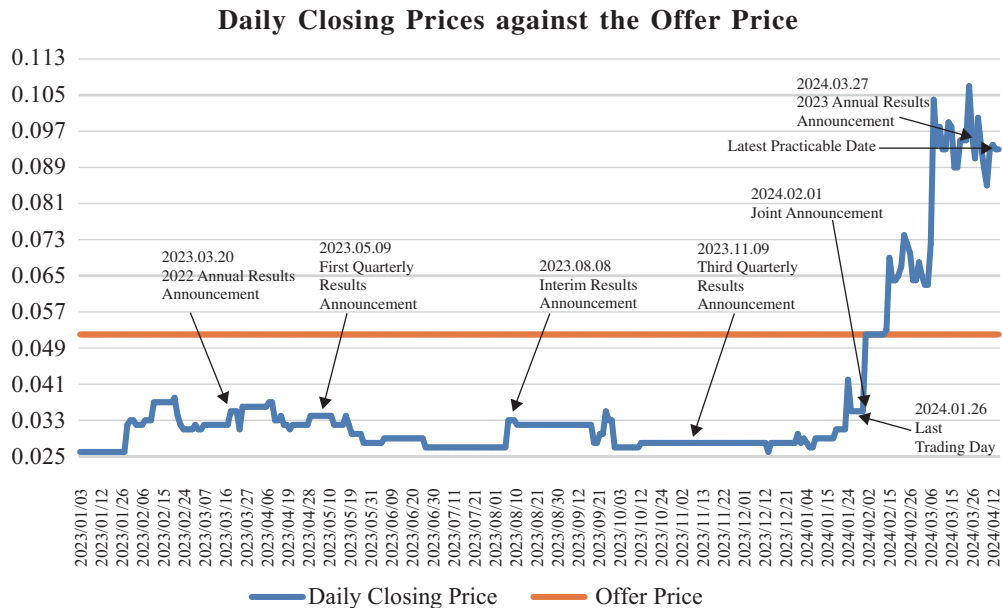
In order to assess the fairness and reasonableness of the Offer Price, we have performed a review on the daily closing prices and trading volume of the Shares from 1 January 2023 up to and including the Last Trading Day (the “**Pre-Announcement Period**”) (being a period of approximately 12 months prior to and including the Last Trading Day), and the period subsequent to the Last Trading Day up to and including the Latest Practicable Date (the “**Post-Announcement Period**”, collectively “**Review Period**”) to compare with the Offer Price.

We consider that it is fair and reasonable that the Review Period include both the Pre-Announcement Period and the Post-Announcement Period, which cover the annual business operation cycle of the Company and the dates of releasing financial results, reflecting the market perception on the Company’s business performance and prospects, and moreover, the changing social and economic circumstances together

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with the relaxation of COVID-19 pandemic control in Hong Kong, instead of merely focusing on the Share price movement since the Last Trading Date. In the meantime, the Share price movement during the period subsequent to the Last Trading Day and up to and including the Latest Practicable Date is also presented here for Shareholder's information.

The graph below illustrates the daily closing prices of the Shares during the Review Period.



For analysis, we also extract the graph of the Hang Seng Consumption Indexes from the website of Hang Seng Indexes as follows:



Note: The Hang Seng Consumption Index was at 2,362.92-point level on 12 April 2024.

Source: Website of Hang Seng Indexes as of 11 April 2024

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Pre-Announcement Period

During the Pre-Announcement Period commencing from 1 January 2024 to 26 January 2024, the Shares were traded at a price ranging from HK\$0.026 (the “**Lowest Share Price**”) to HK\$0.042 (the “**Highest Share Price**”). The Offer Price represented a premium of approximately 23.8% to the Highest Share Price and a premium of approximately 100% to the Lowest Trading Price. The average closing price per Share for the Pre-Announcement Period was approximately HK\$0.030, and the Offer Price represented a premium of approximately 73.3% to such average closing price. We note that the Offer Price was above the trading price of the Shares for all of the trading days during the Pre-Announcement Period.

From 1 January 2023 to 20 March 2023

The Share price maintained stable at HK\$0.026 during the period from 1 January 2023 to 27 January 2023, and then increased to HK\$0.032 on 30 January 2023, and was traded relatively stable until 15 February 2023, and keep an uptrend movement until 23 February 2023. For the period from 24 February 2023 to 17 March 2023, the Share price maintained stable at HK\$0.031 or HK\$0.032 without fluctuation. We have checked the movement of the Hang Seng Consumption Index (the “**Consumption Index**”), which aims to reflect the overall performance of stocks listed in Hong Kong that provide goods and services relating to daily consumption. It is observed that for the period commencing 1 January 2023 to 28 February 2023 the Consumption Index had a general upward trend since 1 January 2023 to 27 January 2023, and then gradually decreased until 24 February 2023. Hence, the Share price movement did not align with the Consumption Index. We have discussed and understood from the Management that they were not aware of any other events or factors attributable to the uptrend in Share price from 27 January 2023 and the fluctuation in February 2023. Save for the price increased from HK\$0.032 per Share on 19 March 2023 to HK\$0.035 per Share on the date of the annual results announcement of the Company for the year ended 31 December 2022, there was no clear trend of the movement of closing prices of the Shares during such period.

From 21 March 2023 to 8 August 2023

The Share price maintained relatively volatile subsequent to the release of the annual results of the Company for the year ended 31 December 2022 on 20 March 2023 and up to the date of releasing the first quarterly results announcement for the three months ended 31 March 2023 on 9 May 2023. We did not identify any other public announcement of the Company that may explain such volatility. We have checked the Consumption Index for the period commencing 31 March 2023 to 1 June 2023 and observed that such index

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remained downtrend movement. It is noted that Share price moved downtrend during the period from 12 April 2023 to 1 June 2023, which was in line with the Consumption Index. We have discussed and understood from the Management that they were not aware of any events or factors attributable to the such decline. The Share price trended downwards gradually after the publication of first quarterly results announcement and surged to HK\$0.033 on the date of the release of the interim results announcement for the six months ended 30 June 2023 on 8 August 2023.

From 9 August 2023 to the Last Trading Date

Subsequent to the release of the interim results of the Company for the six months ended 30 June 2023 on 8 August 2023, the Share price maintained relatively stable until the end of September 2023. Experiencing several days' volatility in the closing prices, the Share price returned to its relative stability until 24 January 2024. For the same period, the Consumption Index gradually declined during the period from 9 August 2023 to 13 December 2023, represented an upward movement from 13 December 2023 to 29 December 2023, moved further downwards until 22 January 2024, and surged from 22 January 2024 to 29 January 2024 with volatility between 25 January 2024 to 29 January 2024. It is noted that the Share price surged from HK\$0.031 to HK\$0.042 from 24 January 2024 to 25 January 2024 and subsequently decreased to HK\$0.035 on 26 January 2024, which is the Last Trading Day prior to the commencement of the trading halt of the Company on 29 January 2024. We considered such movement was in line with the Consumption Index. Also, we have discussed and understood from the Management that they were not aware of any other events or factors attributable to the such increase in Share price from 24 January 2024 to 25 January 2024 and such decrease in Share price from 25 January 2024 to 26 January 2024.

Post-Announcement Period

During the Post-Announcement Period commencing from 27 January 2023 up to and including the Latest Practicable Date, the Share price increased from HK\$0.035 to HK\$0.093 with an average trading price of approximately HK\$0.075. It is noted that the trading halt was made by the Company effective from 29 January 2024 and the trading was resumed on 2 February 2024 given the Joint Announcement was published after trading hours on 1 February 2024.

After the publication of the Joint Announcement and upon the resumption of trading of the Company, the Share price surged from the Share price of HK\$0.035 on the Last Trading Day and reached HK\$0.052. The Share price further increased and closed at HK\$0.093 per Share on the Latest Practicable date, representing an increase of approximately 78.8%.

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We observed that the Consumption Index surged from 2,038.3-point level on 2 February 2024 and approached 2362.92-point level as at the Latest Practicable Date, indicating a better market sentiment during such period. The Share movement during the Post-Announcement Period aligned with the movement of the Consumption Index. We have enquired into the other possible reasons attributed to the notable increase in closing price of Shares subsequently after the publication of the Joint Announcement, and as confirmed by the Directors, save for the information as set out in the Joint Announcement and a much positive market sentiment, the Directors were not aware of any matters which might have a material effect on the price of Shares. We considered that in addition to a much positive market sentiment, such increase in the price of Shares after the release of the Joint Announcement may be attributable to market reactions to the Offer, in particular, for the investors' strong faith in the Offerors' around 20 years' established experience in the food industry which will bring positive impact on the Company's business operation. After the publication of annual results for the year ended 31 December 2023, the Share price declined from HK\$0.096 to HK\$0.093 as at the latest Practicable Date. Therefore, there is no assurance that the closing price of Shares will rise or continue to maintain at a level equal to or above the Offer Price after the Latest Practicable Date and/or after closing of the Offer.

During the Post-Announcement Period, the closing price per Share ranged from HK\$0.052 to HK\$0.107 with an average closing price per Share of approximately HK\$0.075. The closing price per Share as at the Latest Practicable Date was HK\$0.093. The Offer Price represents (i) a discount of approximately 30.7% to the average daily closing price of Shares during the Post-Announcement Period; and (ii) a discount of approximately 44.1% to the closing price of Shares as at the Latest Practicable Date.

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

Section summary

During the approximately one-year period prior to and including the date of the Joint Announcement, being a period without the possible effect from the announcement of the Offer, the closing prices of the Share had consistently traded at a discount to the Offer Price with an average of approximately HK\$0.030 per Share, to which the Offer Price represents a premium of approximately 73.3%. Therefore, from the perspective of the historical market trading price performance of the Shares during the Pre-Announcement Period, we are of the view that the Offer Price is fair and reasonable.

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We noted the recent surge in prices of Shares during the Post-Announcement Period. We have discussed with the Management and was informed that save as the change in the ownership of Keyview Ventures, the Management are not aware of any events or factors (such as material improvements in business operation, trading positions, recent business strategy, or prospects of the Group) as of the Latest Practicable Date that would potentially alter the intrinsic value of the Shares and support this price surge. We considered that such surge in Share prices may be attributable to (i) positive market sentiment as presented by the rapid upward movement of the Consumption Index; and (ii) the investors' confidence in the prospects of the Company's business performance by leveraging the Offerors' profound industry experience in the food industry. Considering during the Post-Announcement Period, the Share price has approached at HK\$0.093 as at the Latest Practicable Date, representing 78.9% premium to the Offer Price, we considered the Offer Price is not fair and reasonable in such context.

In summary, we are of the view that the Offer Price of HK\$0.052 is not fair and reasonable in the circumstances where the Share Price has been surged to a premium of 78.9% over the Offer Price as at the Latest Practicable Date, and the Post-Announcement Period covering two-month period has sufficiently reflected the confidence of the investors in the prospects of the Company's business, which will surely benefited from the Offerors' established food industry experience.

3.3 Historical trading liquidity of the Shares

We have reviewed the trading liquidity of the Shares during the Review Period. Set out below is the average daily trading volume of the Shares on a monthly basis and the respective percentage of the average daily trading volume of the Shares as compared to the total number of the issued Shares as at the end of relevant months/periods and the total number of the Shares held by public Shareholders as at the end of the relevant months/periods. Given the reasons aforementioned under the subsection headed "3.2 Analysis of historical Share price movement" above, we are of the view that the trading liquidity of the Shares during the Pre-Announcement Period can sufficiently reflect the market trading together with the market perception of the Shares without the possible effect from the Joint Announcement regarding the Offer. Similar analysis for the Post-Announcement Period is also presented for the Offer Shareholders' information.

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The table below summarizes the trading volume of the Shares for the following period:

Month	Total trading volume of Shares (Shares)	Number of trading days (days)	Approximate average daily trading volume of the Shares ^(Note 1) (Shares)	Approximate % of average daily trading volume to total issued Shares as at the end of the relevant month/ period ^(Note 2)	Approximate percentage of average daily trading volume to the total number of issued Shares held by Independent Shareholders (Note 3)
Pre-Announcement Period 2023					
January	2,180,000	18	121,111	0.0087%	0.0346%
February	1,620,000	20	81,000	0.0058%	0.0231%
March	680,000	23	29,565	0.0021%	0.0084%
April	860,000	17	50,588	0.0036%	0.0145%
May	1,060,000	21	50,476	0.0036%	0.0144%
June	380,000	21	18,095	0.0013%	0.0052%
July	40,000	20	2,000	0.0001%	0.0006%
August	660,000	23	28,696	0.0020%	0.0082%
September	6,480,000	19	341,053	0.0244%	0.0974%
October	1,480,000	20	74,000	0.0053%	0.0211%
November	120,000	22	5,455	0.0004%	0.0016%
December	180,000	19	9,474	0.0007%	0.0027%
2024					
1 January to the Last Trading Day	7,300,000	19	384,211	0.0274%	0.1098%
Post-Announcement Period 2024					
27 January to 31 January ^(Note 4)	–	–	–	–	–
February ^(Note 5)	48,760,000	18	2,708,889	0.1935%	0.7740%
March	22,300,000	20	1,115,000	0.0796%	0.3186%
1 April to 12 April (Latest Practicable Date)	2,660,000	8	332,500	0.0238%	0.0950%

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

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Notes:

1. Average daily trading volume is calculated by dividing the total trading volume of the Shares for the month/period by the number of trading days during the months/period.
2. Based on 1,400,000,000 Shares in issue which remained unchanged between 1 January 2023 and 12 April 2024 (both dates inclusive).
3. Based on 350,000,000 Shares in issue held by Shareholders other than the Offeror and parties acting in concert with it as set out in the Composite Document.
4. The Shares were on trading halt during the period from 27 January 2024 to 31 January 2024.
5. The Shares were on trading halt on 2 February 2024.

As illustrated from the table above, we noted that the average daily trading liquidity of the Shares was thin during the Pre-Announcement Period, ranging from approximately 0.0001% to 0.0274% of the Group's total issued share capital as at the end of the relevant month/period, 0.0006% to 0.1098% of the total number of issued Shares held by Independent Shareholders. We have also enquired with the Directors for the probable reasons for the surge in the trading volume of the Shares in January 2024 (up to the Last Trading Day) comparing with the lower trading volume during the year ended 31 December 2023, and we were advised by the Management that they were not aware of any affirmative happenings which might have affected the trading volume of the Shares in January 2024 (up to the Last Trading Day). We considered such stronger trading volume might be attributable to the aforementioned positive market sentiment at the end of January 2024.

Despite the surge in the trading volume of the Shares in January 2024 (up to the Last Trading Day), given (i) during the Pre-Announcement Period, the average daily trading volume to the total number of issued Shares as at the end of the relevant month/period and total number of issued Shares held by the Independent Shareholders ranged from approximately 0.0001% to 0.0274% and ranged from approximately 0.0006% to 0.1098%, respectively; (ii) except for the periods of September 2023 and the period from 1 January 2024 to the Last Trading Day, average daily trading volume to total issued Shares as at the end of the relevant month/period does not exceed 0.01%; and (iii) there are no transactions for 198 trading days out of 262 trading days during the Pre-Announcement Period, we considered that the trading volume of the Shares was low during the Pre-Announcement Period.

Such thin liquidity may suggest that it is not easy to sell relatively high volume of Shares on the market over a short period of time without inducing downward pressure of the Share price.

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During the Post-Announcement Period, we noted that the average daily trading liquidity of the Shares ranged from approximately 0.0238% to approximately 0.0796% of the Group's total issued share capital as at the end of the relevant month/period and ranged from approximately 0.0950% to approximately 0.7740% of the total number of Shares held by the Independent Shareholders as at the Latest Practicable Date, both of which were not more than 0.8%. It is considered that such increase in trading liquidity is much likely attributable to the Joint Announcement and a positive market sentiment as presented from the Consumption Index movement. It should be noted that such relatively high liquidity of shares trading may or may not sustain during and/or after the Offer Period.

In light of the thin liquidity of the Shares during the Pre-Announcement Period and the uncertainty for the trading volume after the Latest Practicable Date, it is reasonable to consider that the Offer provides an alternative opportunity for the Independent Shareholders to dispose of the Shares held by themselves for cash at the Offer Price if such Independent Shareholders considers appropriate.

3.4 Analysis of the reasonableness and the fairness of the Offer Price

We noted that the net asset value attributable to the Shareholders per Share (“NAV per Share”) was approximately HK\$0.062 as at 31 December 2023. During the Pre-Announcement Period, the Shares were traded at a discount of the NAV per Share, among which the Highest Share Price of HK\$0.042 per Share represented a discount of approximately 32.3% to the NAV per Share was approximately of HK\$0.062. During the Post-Announcement Period, the Shares has been surged to HK\$0.093 as at the Latest Practicable Date, representing a premium of 50.0% over than NAV per Share was approximately of HK\$0.062.

Though we have observed that (i) the Group has been loss-making consecutively since the year ended 31 December 2019, which may not attract investors, who focus more on a company's profitability, to trade in high trading volume in a short period of time; (ii) the fixed Offer Price represented a premium of approximately 23.8% to the Highest Share Price and a premium of approximately 100% to the Lowest Share Price during the Pre-Announcement Period; (iii) during the Pre-Announcement Period, the average daily trading volume ranged from approximately 0.0001% to 0.0274% of the Group's total issued share capital as at the end of the relevant month/period, and ranged from 0.0006% to 0.1098% of the total number of issued Shares held by Independent Shareholders; (iv) the trading volume was much thin during the Pre-Announcement Period, in particular there was no trading transactions at all in 198 trading days out of 262 trading days during such period, as at the Latest Practicable Date, the Shares has been surged to HK\$0.093, representing a premium of 50.0% over than the NAV per Share was approximately of HK\$0.062, which is more favourable than the Offer Price to the Shareholders as a whole. Viewing that the Share price as of the Latest Practicable Date representing a premium of approximately 50.0% over the

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NAV per Share as at 31 December 2023 is a more crucial factor to decide whether to accept the Offer, we considered that the Offer Price is not fair and reasonable.

The Shareholders should be informed that (i) there is no guarantee that the price of Shares will continue its upward trends and sustain at a level higher than the Offer Price after the Offer Period; and (ii) there exists uncertainty whether there would be sufficient liquidity in the future for the Shareholders to dispose of their Shares in the open market without depressing the Share price, taking into account the changing economic and financial circumstances globally.

4. Market comparable analysis

Market approach for market comparable analysis

Price-earnings ratio (“P/E Ratio”), Price-to-book ratio (“P/B Ratio”) and Price-to-sales ratio (“P/S Ratio”)

We noted from the 2023 Annual Report that the Company has been loss-making since the year ended 31 December 2019, and thus the P/E ratio analysis is not suitable for our market comparable analysis. We also have considered the P/B ratio, which is commonly used in the valuation for the asset-intensive entity, is also not much appropriate for our market comparable analysis here, taking into account the right-of-use assets resulting from the leases where the Group is the lessee, instead of fixed assets, accounting for approximately 48.6% of the Company’s total assets.

Therefore, we further consider to assess the Offer Price with reference to the P/S Ratio, which is calculated by dividing the market capitalisation of a company by its sales revenue and is another common valuation method to value the market value of a non-profitable listed company.

P/S Ratio

For conducting the P/S Ratio market comparable analysis, we have identified listed companies on the Stock Exchange engaging in similar business of the Group with selection criteria which include companies which (i) are listed on the Stock Exchange; (ii) are principally engaged in trading of raw, frozen food and/or cooked food together with operation of restaurants in Hong Kong which derived more than 50% of their revenue (the “**Relevant Revenue**”) from trading of raw, frozen food and/or cooked food and/or operation of restaurants based on their latest published annual reports available as at the date immediately before the Latest Practicable Date; and (iii) did not suspend its shares’ trading as at the Last Trading Day.

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Based on these revised set of criteria, we have identified an exhaustive list of two companies (the “Comparable Companies”). Details of the Comparable Companies are summarised in the below table.

No.	Stock Code	Company Name	Principal Business	The Relevant Revenue over the total revenue (%)	Market Capitalisation as at the Last Trading Day ^(Note 1) (HK\$ million)	Total Revenue of the last recent audited financial year (HK\$ million)	P/S Ratio (times)	P/E Ratio ^(Note 3) (times)
1	0060.HK	Hong Kong Food Investment Holdings Limited	Trading of frozen meats, seafood and vegetables, operations of restaurants and communication and advertising design, among which the trading of frozen meats, seafood and vegetables, operations of restaurants accounted for 98.3% of its total revenue during the last recent audited financial year	98.30%	145	232	0.63	138.45
2	8476.HK	Ocean One Holding Ltd.	Importing and wholesaling of frozen seafood products in Hong Kong, among which the trading of frozen seafood products (excluding the miscellaneous products) accounted for 95.3% of its total revenue during the last recent audited financial year	95.30%	342	467	0.73	6.81
						Max	0.73	138.45
						Min	0.63	6.81
						Average	0.68	72.63
		The Company (Offer Price)			73 ^(Note 2)	108	0.67	N/A

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Notes:

1. The market capitalizations of the respective companies are calculated based on the closing share price and total issued shares of the respective companies as at the Last Trading Day.
2. The Company's market capitalisation is calculated by multiplying the Offer Price of HK\$0.052 per Offer Share to the Company's total issued shares as at the Last Trading Day.
3. The P/S Ratio of the Comparable Companies are based on the market capitalisation as at the Last Trading Day and the net profit attributable to the owners of the company as disclosed in their latest published annual reports.
4. The implied P/S ratio of the Company is calculated based on the market capitalisation of the Company under the approach as stated on the Note 2 above divided by the total revenue as set out on the 2023 Annual Report.

Given that (i) the principal business activities of the Comparable Companies are similar to those of the Company; and (ii) the P/S Ratio is commonly accepted for the valuation within the same industry, taking into account different industry has different P/S Ratio, we considered that the Comparable Companies represent a fair reference for the company which is conducting the similar business(es) in the same regional market and listed on the same stock exchange as the Company for comparison analysis.

As illustrated in the table set out above, the P/S Ratio of the Comparable Companies ranged from approximately 0.63 times to approximately 0.73 times, with an average of approximately 0.68 times.

The Group's implied P/S Ratio of approximately 0.67 times as calculated based on the market capitalisation (which is multiplied by the Offer Price and the total issued capital of the Company as at the Last Trading Day) divided by the total revenue of the Group pursuant to the 2023 Annual Report falls within the range from approximately 0.63 times to approximately 0.73 times and is slightly lower than the average P/S Ratio of the Comparable Companies of 0.68 times.

The P/S Ratio indicates the amount that the investors are willing to pay per HK\$ of revenue for a stock in the same industry. Since the Comparable Companies are profit-making and operated larger business scale than the Company, for a company which is loss-making and operates a smaller business scale, the implied P/S Ratio of approximately 0.67 times as calculated based on the market capitalisation (which is multiplied by the Offer Price and the total issued capital of the Company as at the Last Trading Day) divided by the total revenue of the Group pursuant to the 2023 Annual Report falling within the range of the P/S Ratios of the Comparable Companies, which indicates that Offerors are willing to pay same proportion of HK\$ amount to the revenue for the Company's stocks as those of the Comparable Companies even though the Company is currently loss-making. As the Share price of HK\$0.093 as of the Latest Practicable Date represented a premium of approximately 78.9% over the Offer Price, which shows that the investors in the market are willing to pay relatively higher proportion of HKD amount to the revenue for the Company's

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stocks than the Offerors' intended proportion of HKD amount to the revenue for the Company's stocks, we considered the Offer Price is not fair and reasonable in such context.

RECOMMENDATIONS

In making our recommendation, we have considered the foregoing and, the following principal reasons:

(i) Recent results

The Group has been loss-making since 2019. It is noted that the loss attributable to the Shareholders has been narrowed down from approximately HK\$23.1 million for the year ended 31 December 2021 to approximately HK\$9.6 million for the year ended 31 December 2022, and further narrowed down to approximately HK\$3.2 million for the year ended 31 December 2023.

(ii) Prospects

Not only is the prospects of the Group improving as illustrated under the section headed "1.6 Outlook of the Group", the overall economy of Hong Kong is projected to grow by 2.5% to 3.5% in 2024 according to the website of the Hong Kong Economy under the "Latest Development" webpage, with the support by the Hong Kong Budget 2024–25 adopting a series of measures benefiting different business sectors in Hong Kong.

Furthermore, the Offerors have established approximately twenty (20) years of experiences in the business of supplying frozen food and possess relevant strong business management expertise in the PRC market and plan to leverage the synergies between the Offerors and the Group to explore related business opportunities in the future, which is a positive factor for the Shareholders not to accept the Offer.

(iii) The Offer Price

As the Share price increased in an uptrend during the Post-Announcement Period and reached HK\$0.093 as of the Latest Practicable Date, which represented a significant premium of 78.9% over the Offer Price, we considered the Offer Price is not fair and reasonable;

(iv) Share price and trading liquidity

The Share price of HK\$0.093 as of the Latest Practicable Date represented a premium of 50.0% over than the NAV per Share of approximately HK\$0.062 as at 31 December 2023, while the Offer Price of HK\$0.052 represented a discount of approximately 19.2% over the NAV per Share of approximately HK\$0.062, the Share price as of the Latest Practicable Date is more favourable than the Offer Price to the Shareholders as a whole.

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During the Pre-Announcement Period, the average daily trading volume of the Shares has been rather thin, ranged from approximately 0.0001% to 0.0274% of the Group's total issued share capital as at the end of the relevant month/period, and ranged from 0.0006% to 0.1098% of the total number of issued Shares held by Independent Shareholders, in which there were 198 trading days out of 262 days no trading of Shares in the open market, indicating the trading liquidity is rather thin.

During the Post-Announcement Period, the trading liquidity was more positive than that of the Pre-Announcement Period, with the average daily trading liquidity of the Shares ranged from approximately 0.0238% to approximately 0.0796% of the Group's total issued share capital as at the end of the relevant month/period and ranged from approximately 0.0950% to approximately 0.3186% of the total number of Shares held by the Independent Shareholders as at the Latest Practicable Date, in which there were four trading days out of 46 days no trading of Shares in the open market. Although the Offer provides an alternative opportunity for the Independent Shareholders to realise their investment for cash, it is undoubtedly that the Share price as at the Latest Practicable Date is much more attractive to the Shareholders.

(v) P/S comparison to peers

From the perspective of market comparable analysis, given that the implied P/S Ratio of the Company as calculated based on the market capitalisation (which is multiplied by the Offer Price and the total issued capital of the Company as at the Last Trading Day) divided by the total revenue of the Group pursuant to the 2023 Annual Report falls within the range and is lower than the average of those of the Comparable Companies, considering (i) the Company has been loss-making since the year ended 31 December 2019 but the implied P/S Ratio as calculated abovementioned still falls within the range of P/S Ratio of the Comparable Companies, and (ii) the Share price of HK\$0.093 as of the Latest Practicable Date represented a premium of approximately 78.9% over the Offer Price, which shows that the investors in the market are willing to pay relatively higher proportion of HKD amount to the revenue for the Company's stocks than the Offerors' intended proportion of HKD amount to the revenue for the Company's stocks, we considered the Offer Price is not fair and reasonable in such context.

Balancing the considerations (i) – (v) as set out above, (a) we considered the Offer is not fair and reasonable and is not in the interests of the Independent Shareholders as a whole; and (b) accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders not to accept the Offer.

The Independent Shareholders are reminded to monitor the development of the Group, in particular the Offeror's business strategy and any announcements of the Company during and after the Offer Period.

In any case, the Independent Shareholders should read carefully the procedures for accepting the Offer as detailed in the Composite Document and are strongly advised that

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the decision to realise or to hold their investment in the Shares is subject to individual circumstances and investment objectives.

The Shares have consistently traded at or above the Offer Price since publication of the Joint Announcement, and closed at HK\$0.093 on the Latest Practicable Date. Independent Shareholders who wish to take the opportunity of the Offer Price setting a floor to the market price of the Shares to realise their investment for cash should monitor the market price and the trading liquidity of the Shares with a view to disposing of some or all of their Shares in the market instead of accepting the Offer.

Yours faithfully,
For and on behalf of
Messis Capital Limited
Wallace Cheung
Managing Director

Mr. Wallace Cheung is a licensed person registered with the Securities and Futures Commission of Hong Kong and regarded as a responsible officer of Mesis Capital Limited to carry out type 6 (advising on corporate finance) regulatory activity under the SFO and has over 13 years of experience in corporate finance industry.

1. GENERAL PROCEDURES FOR ACCEPTANCE OF THE OFFER

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 Shares 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 any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of Shares for which you intend to accept the Offer, by post or by hand, to the Registrar, at Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong in an envelope marked “**Winning Tower Group Holdings Limited – Share Offer**” as soon as possible but in any event so as to reach the Registrar no later than 4:00 p.m. on the Closing Date.
- (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 Shares 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, 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) in respect of the number of Shares for which you intend to accept the Offer with the nominee company, or other nominee, with instructions authorising it to accept the Offer on your behalf and requesting it to deliver in an envelope marked “**Winning Tower Group Holdings Limited – Share Offer**” 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) in respect of the number of Shares for which you intend to accept the Offer to the Registrar; or
 - (ii) arrange for the Shares to be registered in your name by the Company through the Registrar, and deliver in an envelope marked “**Winning Tower Group Holdings Limited – Share Offer**” 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) in respect of the number of Shares for which you intend to accept the Offer to the Registrar; 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 in respect of the number of Shares for which you intend to accept the Offer on or before the deadline set by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or
- (iv) if your Shares have been lodged with your investor participant's account maintained with CCASS, authorise your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set by HKSCC Nominees Limited.
- (c) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are not readily available and/or is/are lost and you wish to accept the Offer in respect of your Shares, the Form of Acceptance should nevertheless be duly completed, signed and delivered in an envelope marked **“Winning Tower Group Holdings Limited – Share Offer”** 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 any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares or that it is/they are not readily available. If you find such document(s) or if it/they become(s) available, the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares should be forwarded to the Registrar as soon as possible thereafter. If you have lost the 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 provided to the Registrar.
- (d) If you have lodged transfer of any of your Shares for registration in your name and have not yet received your share certificate(s), and you wish to accept the Offer in respect of your Shares, you should nevertheless complete and sign the Form of Acceptance and deliver it in an envelope marked **“Winning Tower Group Holdings Limited – Share Offer”** to the Registrar together with the transfer receipt(s) duly signed by yourself. Such action will be deemed to be an irrevocable authority to the Offerors and/or Rainbow Capital 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 share 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 with the Form of Acceptance.

- (e) Acceptance of the Offer will be treated as valid only if the duly completed and signed Form of Acceptance is received by the Registrar no later than 4:00 p.m. on the Closing Date and the Registrar has recorded that the acceptance and the relevant documents 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 any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of Shares for which you intend to accept the Offer and, if that/those share certificate(s) is/are not in your name, such other document(s) in order to establish your right to become the registered holder of the relevant Shares; or
 - (ii) from a registered Independent 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 the Shares 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 Independent Shareholder, appropriate documentary evidence of authority to the satisfaction of the Registrar must be produced.
- (g) In Hong Kong, seller's ad valorem stamp duty for transfer of Shares registered in the seller's name by the Company through the Registrar arising in connection with acceptance of the Offer payable by the relevant Independent Shareholders at a rate of 0.1% of the market value of the Offer Shares or consideration payable by the Offerors in respect of the relevant acceptances of the Offer, whichever is higher, will be deducted from the amount payable to the relevant Shareholders on acceptance of the Offer. The Offerors will arrange for payment of the sellers' ad valorem stamp duty on behalf of accepting Independent Shareholders and pay the buyer's ad valorem stamp duty in connection with the acceptance 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 and/or share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

2. 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 no later than 4:00 p.m. on the Closing Date in accordance with the instructions printed on the Form of Acceptance, and the Offer will be closed on the Closing Date.
- (b) The Offerors and the Company will jointly issue an announcement through the websites of the Stock Exchange and the Company no later than 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.
- (c) In the event that the Offerors decide to extend the Offer, at least 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 Offerors revise 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 14 days following the date on which the revised offer document is posted.
- (e) If the Closing Date 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 of the Offer so extended.

3. NOMINEE REGISTRATION

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

4. ANNOUNCEMENTS

- (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 Offerors must inform the Executive and the Stock Exchange of its decision in relation to the revision, extension or expiry of the Offer. The Offerors must publish an announcement in accordance with the requirements of the GEM Listing Rules by 7:00 p.m. on the Closing Date stating whether the Offer has been extended, revised or has expired. Such announcement must state the followings:
- (i) the total number of Shares and rights over Shares for which acceptances of the Offer have been received;
 - (ii) the total number of Shares and rights over Shares held, controlled or directed by the Offerors and the parties acting in concert with any one of them before the Offer Period;
 - (iii) the total number of Shares and rights over Shares acquired or agreed to be acquired by the Offerors and parties acting in concert with any one of them during the Offer Period; and
 - (iv) details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offerors and parties acting in concert with any one of them have borrowed or lent, save for any borrowed Shares which have been either on-lent or sold.

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 Offerors and parties acting in concert with any one of them have borrowed or lent (save for any borrowed Shares which have been either on-lent or sold) and specify the percentages of the issued 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 fulfill the acceptance conditions set out in paragraph 1(e) of this Appendix, 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, shall be included.
- (c) If the Offerors, the parties acting in concert with any one of them or their advisers make any statement about the level of acceptances or the number or percentage of accepting Shareholders during the Offer Period, then the Offerors must make an immediate announcement in compliance with Note 2 to Rule 19 of the Takeovers Code.

- (d) As required under the Takeovers Code and the GEM Listing Rules, any announcement in relation to the Offer, in respect of which the Executive and the Stock Exchange have confirmed that they have no further comments, will be published on the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (www.wtgl.hk).

5. RIGHT OF WITHDRAWAL

- (a) Acceptance of the Offer tendered by the Independent Shareholders shall be irrevocable and cannot be withdrawn, except in the circumstances set out in subparagraph (b) below.
- (b) If the Offerors are unable to comply with the requirements set out in paragraph headed “4. Announcements” above, the Executive may require pursuant to Rule 19.2 of the Takeovers Code that the Independent Shareholders who have tendered acceptance to the Offer be granted a right of withdrawal on terms that are acceptable to the Executive until the requirement of Rule 19 of the Takeovers Code can be met.

In such case, when the Independent Shareholders withdraw their acceptance(s), the Offerors shall, as soon as possible but in any event within seven (7) 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) lodged with the Form of Acceptance to the relevant Independent Shareholder(s).

6. SETTLEMENT OF THE OFFER

Provided that the accompanying Form of Acceptance for the Shares, 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) 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 Shareholders in respect of the Shares tendered under the Offer (less seller’s ad valorem stamp duty payable by him/her/it) will be despatched to the accepting Independent Shareholders by ordinary post at his/her/its own risk as soon as possible but in any event within seven (7) Business Days following 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 Offerors in full in accordance with the terms of the Offer (save with respect of the payment of seller’s ad valorem stamp duty) without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offerors may otherwise be, or claim to be, entitled against such Independent Shareholder.

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

7. OVERSEAS SHAREHOLDERS

As the Offer to persons not being resident in Hong Kong may be affected by the laws of the relevant jurisdiction in which they are resident, Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the sole responsibility of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental, exchange control or other consent which may be required, the compliance with other necessary formalities and the payment of any transfer or other taxes due from the accepting Shareholders in respect of such jurisdictions). The Offerors, parties acting in concert with the Offerors, the Vendors, the Company, Rainbow Capital, the Independent Financial Adviser, the Registrar and their respective ultimate beneficial owners, directors, officers, advisers, agents or associates, as applicable, or any other person involved in the Offer shall be entitled to be fully indemnified and held harmless by the Overseas Shareholders for any taxes they may be required to pay. Any acceptance of the Offer by such Overseas Shareholders will be deemed to constitute a representation and warranty from such Overseas Shareholders to the Offerors that the applicable local laws and requirements have been complied with. The Overseas Shareholders should consult their professional advisers if in doubt.

8. TAX IMPLICATIONS

The Independent Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offerors, parties acting in concert with the Offerors, the Vendors, the Company, Rainbow Capital, the Independent Financial Adviser, the Registrar nor their respective ultimate beneficial owners, directors, officers, advisers, agents or associates, as applicable, 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.

9. GENERAL

- (a) All communications, notices, Form of Acceptance, certificates, transfer receipts and other documents of title and/or of indemnity and/or of any other nature 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 Offerors, parties acting in concert with the Offerors, the Vendors, the Company, Rainbow Capital, the Independent Financial Adviser, the Registrar nor their respective

ultimate beneficial owners, directors, officers, advisers, agents or associates, as applicable, or any other person involved in the Offer accepts any liability for any loss or any other liabilities whatsoever which may arise as a result thereof.

- (b) Acceptance of the Offer by any person or persons will be deemed to constitute a warranty by such person or persons to the Offerors that the Shares tendered under the Offer are sold or tendered by such Independent Shareholder(s) free from all encumbrance and together with all rights and benefits attached thereto, including all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of despatch of this Composite Document.
- (c) Acceptance of the Offer by any nominee will be deemed to constitute a warranty by such nominee to the Offerors that the number of Offer Shares in respect of which it is indicated in the Form of Acceptance is the aggregate number of Offer Shares held by such nominee for such beneficial owners who accept the Offer.
- (d) The provisions set out in the accompanying Form of Acceptance form part of the terms of the Offer.
- (e) 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.
- (f) The Offer and all acceptances will be governed by and construed in accordance with the laws of Hong Kong.
- (g) Due execution of the Form of Acceptance will constitute an irrevocable authority to the Offerors and/or Rainbow Capital and/or such person or persons as any of them may direct to complete and execute on behalf of the person(s) accepting the Offer, and to do any other act(s) that may be necessary or expedient for the purpose of vesting in the Offerors, or such person or persons as it may direct the Shares in respect of which such person has accepted the Offer.
- (h) The Offer is made in accordance with the Takeovers Code.
- (i) References to the Offer in this Composite Document and in the Form of Acceptance shall include any extension and/or revision thereof.
- (j) The Independent Shareholders must rely on their own examination of the Offerors, the Group and the terms of the Offer, including the merits and risks involved, in making their decision as to acceptance of the Offer. The contents of this Composite Document, including any general advice or recommendation contained herein, together with the Form of Acceptance, shall not be construed as any legal or business advice on the part of the Offerors and parties acting in concert with any one of them, the Company or its

ultimate beneficial owners, directors, officers, agents, professional advisers or any other persons involved in the Offer. The Independent Shareholders should consult their own professional advisers for professional advices.

- (k) The English texts of this Composite Document and the accompanying Form of Acceptance shall prevail over their respective Chinese texts, in case of any inconsistency.

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 financial years ended 31 December 2021, 2022 and 2023, respectively, as extracted from the relevant published financial statements of the Group for the relevant years.

	For the year ended 31 December		
	2021	2022	2023
	HK\$'000	HK\$'000	HK\$'000
Revenue	86,006	93,299	108,383
Cost of inventories consumed	(46,255)	(49,461)	(58,262)
Other income	1,347	3,761	1,785
Employee benefit expenses	(24,345)	(26,144)	(27,281)
Depreciation	(12,667)	(11,226)	(7,810)
Transportation and storage fee	(2,314)	(1,872)	(2,126)
Utilities and consumables	(4,535)	(5,080)	(5,393)
Rental and related expenses	(1,671)	(1,299)	(1,466)
Impairment of property, plant and equipment	(4,336)	(2,542)	(801)
Impairment of right-of-use assets	(6,049)	(3,308)	–
Other operating expenses, net	(10,760)	(10,534)	(9,565)
Loss before tax from operations	(25,579)	(14,406)	(2,536)
Finance costs	(542)	(553)	(439)
Loss before taxation	(26,121)	(14,959)	(2,975)
Income tax credit (expense)	(7)	1,396	(129)
Loss for the year	<u>(26,128)</u>	<u>(13,563)</u>	<u>(3,104)</u>
Attributable to:			
Owners of the Company	(2,995)	(3,983)	95
Non-controlling interests	<u>(23,133)</u>	<u>(9,580)</u>	<u>(3,199)</u>

	For the year ended 31 December		
	2021	2022	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss per Share attributable to owners of the Company Basic and diluted (<i>expressed in HK cents per Share</i>)	(1.65)	(0.68)	(0.23)
Other comprehensive income/(loss) for the year, net of tax	<u>7,633</u>	<u>(1,927)</u>	<u>84</u>
Total comprehensive loss for the year	<u><u>(18,495)</u></u>	<u><u>(15,490)</u></u>	<u><u>(3,020)</u></u>
Attributable to:			
Owners of the Company	(15,500)	(11,507)	(3,115)
Non-controlling interest	<u>(2,995)</u>	<u>(3,983)</u>	<u>95</u>

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 3 January 2017 and its issued shares have been listed on GEM since 4 May 2018. No dividend has been paid or declared by the Company since its date of incorporation.

Save as disclosed above, the Group did not record any non-controlling interests for each of the years ended 31 December 2021, 2022 and 2023.

The reporting accountant and auditor of the Company for the three years ended 31 December 2023 were Ernst & Young, and did not issue any qualified or modified opinion (including emphasis of matter, adverse opinion, disclaimer of opinion and material uncertainty related to going concern) on the consolidated financial statements of the Group for the years ended 31 December 2021, 2022 and 2023, respectively.

Save as disclosed above, there were no other items of any income or expense which was material in respect of the consolidated financial results of the Group for each of the financial year ended 31 December 2021, 2022 and 2023.

2. CONSOLIDATED FINANCIAL STATEMENTS

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 the audited consolidated financial statements of the Group for the year ended 31 December 2021 (the “**2021 Financial Statements**”), the year ended 31 December 2022 (the “**2022 Financial Statements**”) and the year ended 31 December 2023 (the

“2023 Financial Statements”) together with the relevant notes to the relevant published accounts which are of major relevance to the appreciation of the above financial information.

The 2023 Financial Statements are set out from page 45 to page 127 in the annual report of the Company for the year ended 31 December 2023 (the “**Annual Report 2023**”) which was published on 5 April 2024. The Annual Report 2023 of the Company was posted on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.wtgl.hk), and is accessible via the following hyperlinks:

<https://www1.hkexnews.hk/listedco/listconews/gem/2024/0405/2024040500811.pdf>

The 2022 Financial Statements are set out from page 44 to page 127 in the annual report of the Company for the year ended 31 December 2022 (the “**Annual Report 2022**”) which was published on 27 March 2023. The Annual Report 2022 of the Company was posted on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.wtgl.hk), and is accessible via the following hyperlinks:

<https://www1.hkexnews.hk/listedco/listconews/gem/2023/0327/2023032700446.pdf>

The 2021 Financial Statements are set out from page 44 to page 129 in the annual report of the Company for the year ended 31 December 2021 (the “**Annual Report 2021**”) which was published on 31 March 2022. The Annual Report 2021 of the Company was posted on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.wtgl.hk), and is accessible via the following hyperlinks:

<https://www1.hkexnews.hk/listedco/listconews/gem/2022/0331/2022033102471.pdf>

3. INDEBTEDNESS

As at 31 January 2024, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Composite Document, the Group had outstanding bank borrowing of approximately HK\$4.4 million.

Save as disclosed above and apart from intra-group liabilities and normal trade payables in the normal course of business, as at 31 January 2024, the Group did not have any other debt securities issued, outstanding and authorised or otherwise created but unissued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, lease liabilities, hire purchase commitments, guarantees or other material contingent liabilities.

The Directors have confirmed that, save as disclosed above, there has not been any material change in the indebtedness and contingent liabilities of the Group since 31 January 2024.

4. MATERIAL CHANGE

The Directors confirm that there has been no material change in the financial or trading position or outlook of the Group since to 31 December 2023, being the date to which the latest published audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date.

5. ADJUSTED NAV PER SHARE

The Adjusted NAV is calculated based on the audited consolidated net assets attributable to the Shareholders as at 31 December 2023, adjusted with reference to the valuation of properties attributable to the Group as at 31 January 2024 as set out in Appendix III to this Composite Document. Details of the adjustment are set out in the table below:

	<i>HK\$</i>
The audited consolidated net assets attributable to the Shareholders as at 31 December 2023	86,856,000
<i>Add:</i>	
Market values of the property interests attributable to the Group as at 31 January 2024 based on the property valuation report as set out in Appendix III to this Composite Document	71,600,000
<i>Less:</i>	
The carrying value of the properties held by the Group as at 31 December 2023	<u>74,500,000</u>
Adjusted NAV	<u><u>83,956,000</u></u>
Adjusted NAV per Share (<i>Note</i>)	<u><u>0.05997</u></u>

Note: Based on 1,400,000,000 Shares in issue as at the Latest Practicable Date.

The following is the text of a letter, a summary of values and a valuation certificate prepared for the purpose of incorporation in this composite document received from AVISTA Valuation Advisory Limited, an independent valuer, in connection with its valuation as at 31 January 2024 of the property interests held by the Company.



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15 April 2024

The Board of Directors
Winning Tower Group Holdings Limited
Unit 803, 8/F, Riley House
88 Lei Muk Road
Kwai Chung, Hong Kong

Dear Sirs/Madams,

INSTRUCTIONS

In accordance with the instructions of Winning Tower Group Holdings Limited (運興泰集團控股有限公司) (the “**Company**”) and its subsidiaries (hereinafter together referred to as the “**Group**”) for us to carry out the valuation of the property interests (the “**Properties**”) held by the Company, we confirm that we have carried out inspection, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Properties as at 31 January 2024 (the “**Valuation Date**”).

BASIS OF VALUATION AND VALUATION STANDARDS

Our valuation is carried out on a market value basis, which is defined by the Royal Institution of Chartered Surveyors as “*the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion*”.

In valuing the Properties, we have complied with all the requirements set out in Chapter 8 of the Rules Governing the Listing of Securities on the GEM issued by The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”), Rule 11 of the Code on Takeovers and Mergers issued by Securities and Futures Commission, the RICS Valuation – Global Standards 2022 published by the Royal Institution of Chartered Surveyors (“**RICS**”) and the International Valuation Standards published from time to time by the International Valuation Standards Council.

For the purpose of compliance with Rule 11.3 of the Takeovers Code and as advised by the Company, the potential tax liabilities which may arise from the sale of the properties include:

- Profits tax at 8.25% on assessable profits up to HK\$2,000,000; and 16.5% on any part of assessable profits over HK\$2,000,000; and
- Stamp duty (of which both the seller and the buyer are jointly and severally liable) for the properties in Hong Kong; is as follows:

Amount or value of the consideration or value of the property (whichever is the higher)		
Exceeds	Does not exceed	Rates
		\$100
\$3,000,000	\$3,000,000	\$100 + 10% of excess over \$3,000,000
\$3,528,240	\$3,528,240	1.5%
\$4,500,000	\$4,500,000	\$67,500 + 10% of excess over \$4,500,000
\$4,935,480	\$4,935,480	2.25%
\$6,000,000	\$6,000,000	\$135,000 + 10% of excess over \$6,000,000
\$6,642,860	\$6,642,860	3%
\$9,000,000	\$9,000,000	\$270,000 + 10% of excess over \$9,000,000
\$10,080,000	\$10,080,000	3.75%
\$20,000,000	\$20,000,000	\$750,000 + 10% of excess over \$20,000,000
\$21,739,120	\$21,739,120	4.25%

As Advised by the Company, the likelihood of any potential liabilities for the Properties being crystalized is remote as the Group has no intention to sell the properties.

VALUATION ASSUMPTIONS

Our valuation of the Properties excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of special value or costs of sale and purchase or offset for any associated taxes.

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

VALUATION METHODOLOGY

The Properties have been valued by market approach which is generally by comparing recent market evidence of similar properties located in the neighborhood area of the subject properties. Adjustments are considered to reflect the differences in various aspects including market conditions, size, location, time, age, quality and any other relevant factors when comparing such sales against the subject properties. This approach is commonly used to value properties where reliable market evidence is available.

TITLE INVESTIGATION

We have not been provided with copies of the title documents relating to the Properties in Hong Kong. We have conducted searches at the Land Registry in Hong Kong on 8 March 2024. However, we have not examined the original documents to verify ownership and encumbrances, or to ascertain any amendment which may or may not appear on the land search. All documents have been used for reference only and all dimensions, measurements and areas are approximate.

SITE INVESTIGATION

We have inspected the exteriors and, where possible, the interior of the subject properties. The site inspection was carried out on 8 March 2024 by Samuel Lau (Senior Analyst). He has more than 5 years' experience in valuation of properties in Hong Kong.

In the course of our inspection, we did not note any serious defects. However, we have not carried out an investigation on site to determine the suitability of ground conditions and services for any development thereon, nor have we conducted structural surveys to ascertain whether the subject properties are free of rot, infestation, or any other structural defects. Additionally, no tests have been carried out on any of the utility services. Our valuation has been prepared on the assumption that these aspects are satisfactory. We have further assumed that there is no significant pollution or contamination in the locality which may affect any future developments.

SOURCE OF INFORMATION

Unless otherwise stated, we shall rely to a considerable extent on the information provided to us by the Company on such matters as statutory notices, planning approvals, easements, tenures, development proposal, identification of the Properties, particulars of occupation, matters relating to tenure, tenancies and all other relevant matters.

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

We have not carried out detailed measurements to verify the correctness of the areas in respect of the Properties but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

TRANSLATION

The English texts of this report shall prevail over the Chinese texts, in case of an inconsistency.

CURRENCY

Unless otherwise stated, all monetary amounts stated in this report are in Hong Kong Dollars (HKD).

Our valuation is summarized below, and the valuation certificate is attached.

Yours faithfully,
For and on behalf of
AVISTA Valuation Advisory Limited
Vincent C B Pang
MRICS CFA FCPA FCPA Australia
RICS Registered Valuer
Managing Partner

Note: Mr. Vincent C B Pang is a member of Royal Institution of Chartered Surveyors (RICS) and a registered valuer of RICS. He has over 10 years' experience in valuation of properties including Hong Kong, the PRC, the U.S., and East and Southeast Asia.

VALUATION CERTIFICATE

Property interests held for owner-occupation by the Group in Hong Kong

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 January 2024 HKD
1.	Units 805, 1101, 1103 and 1105 on 8/F and 11/F, Riley House, No. 88 Lei Muk Road, Kwai Chung, New Territories Lot No. 937 in D.D. 450	The Properties comprises 4 workshop units with a total gross floor area of approximately 21,570.00 sq.ft. located on the 8th and 11th floor of a 23-storey industrial building within an industrial development, namely Riley House. The Properties were completed in 1992.	The Properties were leased to 2 intra-group companies for workshop use as at the Valuation Date.	71,600,000 (100% interest attributable to the Company: HKD71,600,000)

The subject development is located near the junction of Lei Muk Road and Wo Yi Hop Road, with approximately 1.5 km to Kwai Hing Station. The locality of the Properties is characterized by medium-rise industrial buildings of various ages.

The gross floor area and saleable area of the 4 workshop units are listed as below:

Units	Gross Floor Area (sq.ft.)	Saleable Area (sq.ft.)
805	4,703	3,563
1101	4,889	3,703
1103	7,275	5,511
1105	4,703	3,563

The Properties are held under New Grant No. 4185 for the term of 99 years commencing from 1 July 1898. The term is extended until 30 June 2047 under Section 6 of the New Territories Leases (Extension) Ordinance. The revised annual rent is equivalent to 3% of the rateable value for the time being of the Lot from the date of extension.

Notes:

1. As at the Valuation Date, the registered owner of the Properties is Winning Tower Group Limited, an indirect wholly-owned subsidiary of the Company.
2. Upon our search of the Land Registry records as at the Valuation Date, we note that the following encumbrances are registered against the Properties:
 - i. Occupation Permit in respect of 5/F, 6/F & 7/F vide memorial no. TW179020 dated 5 February 1979.
 - ii. Occupation Permit vide memorial no. TW858567 dated 24 September 1992.
 - iii. Deed of Mutual Covenant and Management Agreement vide memorial no. TW862882 dated 12 October 1992.

- iv. Unit 805 is subject to a Mortgage in favour of Shanghai Commercial Bank Limited vide memorial no. 17101100330057 dated 27 September 2017.
 - v. Unit 1103 is subject to a Mortgage in favour of Shanghai Commercial Bank Limited vide memorial no. 15091501740097 dated 21 August 2015.
 - vi. Unit 1105 is subject to a Mortgage in favour of Shanghai Commercial Bank Limited vide memorial no. 15100200340060 dated 15 September 2015.
3. The property is zoned for Other Specified (Business) Use under Kwai Chung Outline Zoning Plan No. S/KC/32.
4. Pursuant to 4 tenancy agreements for workshop units and advised by the Company, the Properties with a saleable area of 16,340 sq.ft. was leased to 2 intra-group companies, namely Winning Tower Limited, being an indirect wholly-owned subsidiary of the Company, and Winning Star Foods Limited, a subsidiary indirectly owned as to 60% by the Company, for workshop use at a total fixed monthly rent of HKD263,404 (inclusive of government rent, rates and management fees) for various terms with the expiry dates from 31 December 2025 to 31 December 2026.
5. Our valuation for the workshop units has been made on the following basis and analysis:

In the course of our valuation, we have made references to relevant comparables in the locality which have similar characteristics as the subject properties such as nature, use and accessibility. The unit prices of the comparables are ranging from HKD4,400 to HKD5,100 per sq.ft. on saleable basis. The unit rates adopted in the valuation are consistent with the unit rates of the relevant comparables after due adjustments in terms of floor, time and size, etc.

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 Offerors and parties acting in concert with any one of them) 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 Offerors (in their capacity as Offerors) and parties acting in concert with any one of them) 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 are as follows:

<i>Authorised</i>	<i>HK\$</i>
<u>10,000,000,000</u> Shares	<u>100,000,000</u>
 <i>Issued and fully paid:</i>	
<u>1,400,000,000</u> Shares	<u>14,000,000</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 31 December 2023, the date to which the latest audited financial statements of the Company were made up.

3. MARKET PRICES

The table below shows the closing prices of the Shares as 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:

Date	Closing Price per Share (HK\$)
31 August 2023	0.032
29 September 2023	0.027
31 October 2023	0.028
30 November 2023	0.028
29 December 2023	0.028
26 January 2024 (the Last Trading Day)	0.035
31 January 2024	0.035
29 February 2024	0.064
28 March 2024	0.091
12 April 2024 (the Latest Practicable Date)	0.093

During the Relevant Period, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.107 per Share on 26 March 2024, and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.026 per Share on 14 December 2023.

4. DISCLOSURE OF INTERESTS

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

Shares of associated corporations of the Company

Name of associated corporation	Name of Director	Nature	Number of shares	Approximate Percentage
Keyview Ventures	Ms. Ou	Beneficial owner	9,600	32
Keyview Ventures	Ms. Ou	Spousal interest	11,400	38

Save as disclosed above, 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 Rule 5.46 to 5.67 to the GEM 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

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 were as follows:

Name	Nature of interest	Total number of Shares and/or underlying Shares interested	% in the issued share capital of the Company
Keyview Ventures	Beneficial owner	1,050,000,000	75%
Mr. Zhong	Interest in controlled corporation	1,050,000,000	75%
Ms. Ou	Spousal interest	1,050,000,000	75%

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 nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

5. SHAREHOLDINGS AND DEALINGS IN SECURITIES

- (a) During the Relevant Period and up to the Latest Practicable Date, save for the sale of the Sale Shares under the Sale and Purchase Agreement by the Vendors and the allotment of 1,571 KV Shares to Mr. Zhong, 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;

- (b) no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company were owned or controlled or dealt with by a subsidiary of the Company or by a pension fund of members of the Group or by a person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of acting in concert under the Takeovers Code or who is an associate of the Company by virtue of class (2) of the definition of associate under the Takeovers Code (but excluding exempt principal traders and exempt fund managers) during the Offer Period and up to the Latest Practicable Date;
- (c) save for the Sale and Purchase Agreement and the allotment of 1,571 KV Shares to Mr. Zhong, 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, owned or controlled 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) save for the Offerors who are holding 1,050,000,000 Shares through Keyview Ventures Limited, none of the persons who had an arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who was 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 or who was an associate of the Company by virtue of classes (2), (3) and (4) of the definition of associate owned or controlled any Shares or any securities, convertible securities, warrants, options or derivatives in respect of any Shares or securities of the Company;
- (f) save for the Shares owned by Ms. Ou which are not entitled to the Offer, none of the Directors beneficially owned any Shares and accordingly none of them is entitled to the Offer;
- (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; and

- (h) save for the Sale and Purchase Agreement, there is no understanding, arrangement or agreement which constitutes a special deal (as defined under Rule 25 of the Takeovers Code) between (i)(a) the Offerors or any party acting in concert with any one of them, or (i)(b) the Company, its subsidiaries or associated companies on one hand; and (ii) any Shareholder on the other hand.

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) save for the Sale and Purchase Agreement and the allotment of 1,571 KV Shares to Mr. Zhong, there was no agreement or arrangement 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; and
- (c) save for the Sale and Purchase Agreement, there was no material contract entered into by the Offerors in which any Director had a material personal interests.

7. SERVICE CONTRACT OF DIRECTOR

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.

8. MATERIAL CONTRACT

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, which are or may be material.

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. QUALIFICATIONS AND CONSENTS OF EXPERTS

In addition to those listed under the paragraph headed “4. Experts and consents” in Appendix V to this Composite Document, the following is the name and qualifications of the experts who have given their opinion, letters, reports or advice which are contained or referred to in this Composite Document:

Name	Qualification
Messis Capital	a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the Independent Financial Adviser to the Independent Board Committee in respect of the Offer
AVISTA Valuation Advisory Limited	independent property valuer

Each of the above experts has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion of its opinion, letters, reports or advice and references to its name included herein in the form and context in which it appears.

11. GENERAL

- (a) The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (b) The principal place of business in Hong Kong of the Company is Unit 803, 8/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong.
- (c) As at the Latest Practicable Date, the Board comprises Mr. Lai King Wah, Mr. Lai Ho Yin Eldon and Mr. Ho Timothy Kin Wah as executive Directors, Mr. Yu Ting Hei, Mr. Wong Wang Leong and Ms. Ou Honglian as non-executive Directors and Mr. Chau Chun Wai, Mr. Lo Sun Tong and Mr. Lam Lai Kiu Kelvin as independent non-executive Directors.
- (d) The company secretary of the Company is Mr. Tsang Hing Bun, who is an authorised representative under Rule 5.24 of the GEM Listing Rules.
- (e) The Hong Kong branch share registrar of the Company is Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (f) The registered office of MESSIS Capital, the Independent Financial Adviser, is at Room 1303, 13/F, OfficePlus @Wan Chai, No.303 Hennessy Road, Wan Chai, Hong Kong.

- (g) The English texts of this Composite Document and the Form of Acceptance shall prevail over the Chinese texts, in case of an inconsistency.

12. DOCUMENTS AVAILABLE ON DISPLAY

In addition to the documents relating to the Offerors as set out in the paragraph headed “6. Documents available on display” in Appendix V to this Composite Document, copies of the following documents are available on display (i) on the website of the Company (www.wtgl.hk) and (ii) on the website of the SFC (www.sfc.hk) from the date of this Composite Document up to and including the Closing Date:

- (a) the amended and restated memorandum of association and the second amended and restated articles of association of the Company;
- (b) the annual report of the Company for year ended 31 December 2021, 2022 and 2023, respectively;
- (c) the letter from the Board, the text of which is set out on pages 22 to 28 of this Composite Document;
- (d) the letter from the Independent Board Committee, the text of which is set out on pages 29 to 30 of this Composite Document;
- (e) the letter from the Independent Financial Adviser, the text of which is set out on pages IFA-1 to IFA-32 of this Composite Document;
- (f) the property valuation report from AVISTA Valuation Advisory Limited, the text of which is set out on pages III-1 to III-6 of this Composite Document;
- (g) the letter of consent referred to in the paragraph headed “10. Qualifications and Consents of Experts” in this Appendix;
- (h) the Sale and Purchase Agreement; and
- (i) this Composite Document.

1. RESPONSIBILITY STATEMENT

The Offerors are Mr. Zhong Yuhua, Ms. Ou Honglian, Mr. Zhong Juzhi and Mr. Zhong Rongzhi. The Offerors accept full responsibility for the accuracy of information contained in this Composite Document (other than those relating to the Vendors and the Group) and confirms, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than the opinions expressed by the Directors in their capacity as such) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading.

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

As at the Latest Practicable Date, the Offerors and the parties acting in concert with any one of them, through Keyview Ventures, hold in aggregate 1,050,000,000 Shares, representing 75% of the total issued share capital of the Company. As at the Latest Practicable Date, save as disclosed above, the Offerors and the parties acting in concert with any one of them did not own, control or have direction over any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

The Offerors confirm that, as at the Latest Practicable Date:

- (a) save for the 30,000 KV Shares owned by the Offerors (being the entire issued share capital of Keyview Ventures as at the Latest Practicable Date and therefore enabling the Offerors to indirectly own and control 75% of the issued share capital of the Company), none of the Offerors nor any party acting in concert with any one of them owned or had control or direction over any voting rights or rights over the Shares or options, warrants, derivatives or securities convertible into Shares or other derivatives in respect of securities in the Company;
- (b) save for the entering into of the Sale and Purchase Agreement and the allotment of 1,571 KV Shares to Mr. Zhong, none of the Offerors nor any party acting in concert with any one of them had dealt for value in any Shares or any options, warrants, derivatives or securities convertible into Shares or other derivatives in respect of securities in the Company during the Relevant Period;
- (c) save for the Sale and Purchase Agreement and the allotment of 1,571 KV Shares to Mr. Zhong, there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the Shares between the Offerors or any party acting in concert with any one of them and/or other associates of the Offerors and any other person;

- (d) save for the Sale and Purchase Agreement and the allotment of 1,571 KV Shares to Mr. Zhong, none of the persons who had an arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Offerors or with any person who was presumed to be acting in concert with the Offerors by virtue of classes (1), (2), (3) and (5) of the definition of acting in concert or who was an associate of the Offerors by virtue of classes (2), (3) and (4) of the definition of associate owned or controlled any Shares or any securities, convertible securities, warrants, options or derivatives in respect of any Shares or securities of the Company;
- (e) save for the Sale and Purchase Agreement and the allotment of 1,571 KV Shares to Mr. Zhong, no person who had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Offerors or with any person who is presumed to be acting in concert with the Offerors 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 Offerors 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;
- (f) save for the Sale and Purchase Agreement and the allotment of 1,571 KV Shares to Mr. Zhong, there is no agreement or arrangement to which the Offerors or any party acting in concert with any one of them, is a party which relates to circumstances in which the Offerors may or may not invoke or seek to invoke a pre-condition or a condition to the Offer;
- (g) none of the Offerors nor any party acting in concert with any one of them has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (h) neither the Offerors nor any party acting in concert with any one of them has received any irrevocable commitment to accept or reject the Offer;
- (i) there is no agreement or arrangement in relation to outstanding derivative in respect of the securities in the Company which has been entered into by the Offerors nor any party acting in concert with any one of them;
- (j) save for the Consideration payable to the Vendors under the Sale and Purchase Agreement, there is no other consideration, compensation or benefits in whatever form paid or to be paid by the Offerors or any party acting in concert with any one of them to the Vendors or any party acting in concert with any one of them in connection with the Sale and Purchase Agreement;

- (k) save for the Sale and Purchase Agreement, there is no understanding, arrangement or special deal (as defined under Rule 25 of the Takeovers Code) between the Vendors or any party acting in concert with any of them on one hand, and the Offerors or any party acting in concert with any one of them on the other hand;
- (l) there is no understanding, arrangement or special deal (as defined under Rule 25 of the Takeovers Code) between (i)(a) the Offerors or any party acting in concert with any one of them, or (i)(b) the Company, its subsidiaries or associated companies on one hand; and (ii) any Shareholder on the other hand;
- (m) there is no understanding, arrangement or agreement under which securities to be acquired pursuant to the Offer will be transferred, charged, pledged to any other persons;
- (n) no arrangement was in place for any benefit (other than statutory compensation) to be given to any Director as compensation for loss of office or otherwise in connection with the Offer;
- (o) save for the Sale and Purchase Agreement, there was no agreement, arrangement or understanding (including any compensation arrangement) between the Offerors or any party acting in concert with any one of them and any Director, recent Directors, Shareholders or recent Shareholders which was conditional on or dependent upon the outcome of the Offer or otherwise connected with the Offer; and
- (p) save for the Sale and Purchase Agreement, there was no material contracts entered into by the Offerors in which any Director has a material personal interest.

3. MARKET PRICES

The table below shows the closing price of the Shares as 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:

Date	Closing Price per Share (HK\$)
31 August 2023	0.032
29 September 2023	0.027
31 October 2023	0.028
30 November 2023	0.028
29 December 2023	0.028
26 January 2024 (the Last Trading Day)	0.035
31 January 2024	0.035
29 February 2024	0.064
28 March 2024	0.091
12 April 2024 (the Latest Practicable Date)	0.093

During the Relevant Period, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.107 per Share on 26 March 2024, and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.026 per Share on 14 December 2023.

4. EXPERTS AND CONSENTS

In addition to those listed under the paragraph headed “10. Qualifications and consents of experts” in Appendix IV to this Composite Document, the followings are the name and qualification of the professional adviser whose letter, opinions or advice are contained or referred to in this Composite Document:

Name	Qualification
Rainbow Capital	a licensed corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

Rainbow Capital has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion of its opinions, advice letter/report and/or the references to its name included herein in the form and context in which it appears.

5. MISCELLANEOUS

- (a) The correspondence address of the Offerors is Unit E, 49/F, Tower 3 Sorrento, 1 Austin Road West, Tsim Sha Tsui, Kowloon, Hong Kong.
- (b) The registered office of Rainbow Capital is Office No. 710, 7/F, Wing On House, 71 Des Voeux Road Central, Central, Hong Kong.
- (c) The English text of this Composite Document and the accompanying Form of Acceptance shall prevail over their respective Chinese texts, in case of any inconsistency.

6. DOCUMENTS AVAILABLE ON DISPLAY

In addition to the documents set forth in the paragraph headed “12. Documents available on display” of Appendix IV to this Composite Document, copies of the following documents are available on display on the website of the SFC at www.sfc.hk and the website of the Company at www.wtgl.hk during the period from the date of this Composite Document up to and including the Closing Date:

- (a) the letter from Rainbow Capital, the text of which is set out in the section headed “Letter from Rainbow Capital” of this Composite Document;
- (b) the written consent as referred to in the section headed “4. Experts and consents” in this appendix;
- (c) the Sale and Purchase Agreement; and
- (d) this Composite Document and the accompanying Form of Acceptance.