德林證券
DL SECURITIES

21/F, DL Tower, 92 Wellington Street,
Central, Hong Kong

24 July 2026

To the Independent Shareholders

Dear Sir or Madam

UNCONDITIONAL MANDATORY CASH OFFER BY DL SECURITIES (HK) LIMITED FOR AND ON BEHALF OF THE OFFEROR TO ACQUIRE ALL THE ISSUED SHARES OF THE COMPANY (OTHER THAN THOSE ALREADY OWNED AND/OR AGREED TO BE ACQUIRED BY THE OFFEROR AND THE OFFEROR CONCERT PARTIES)

INTRODUCTION

Reference is made to the Joint Announcement jointly issued by the Offeror and the Company on 4 June 2026 in relation to, among other things, the Share Purchase Agreement and the Offer.

On 25 May 2026, the Sellers and the Offeror entered into the Share Purchase Agreement (as amended and supplemented by the Supplemental Agreement dated 3 June 2026), pursuant to which the Sellers have conditionally agreed to sell and the Offeror has conditionally agreed to acquire the Sale Shares, being 23,970,000 Shares, representing approximately 74.91% of the total issued Shares and the entire shareholding of the Sellers in the Company as at the date of the Share Purchase Agreement, at the Consideration of HK$198,519,540 (equivalent to HK$8.282 per Sale Share).

Completion is conditional upon the fulfillment or waiver (if applicable) of the conditions precedent as set out in the Share Purchase Agreement and described in the section headed "Conditions Precedent to Completion" of the Joint Announcement. Completion of the sale and purchase of the Sale Shares took place on 23 June 2026. The Consideration for the Acquisition was settled by the Offeror in cash of HK$137,519,540 and the Promissory Note in the principal amount of HK$61,000,000 to the Sellers. Due to the Deferred Payment which will be settled after Completion, the Sellers are presumed to be acting in concert with the Offeror under Class (9) of the definition of "acting in concert" under the Takeovers Code until the full settlement of the Deferred Payment by the Offeror. The Offeror does not expect to make early repayment of the Deferred Payment prior to the close of the Offer.

Immediately before Completion, (i) none of the Offeror, its ultimate beneficial owners, its director and the Offeror Concert Parties (save for the Sellers) held any Shares; and (ii) the Sellers were interested in 23,970,000 Shares, i.e. the Sale Shares. Immediately after Completion, none of the Offeror, the ultimate beneficial owners and director of the Offeror and the Offeror Concert Parties holds any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company, save for the 23,970,000 Shares acquired by the Offeror through the Acquisition, representing approximately 74.91% of the total issued Shares.

Pursuant to Rule 26.1 of the Takeovers Code, upon Completion, the Offeror is required to make an unconditional mandatory cash offer for all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror and the Offeror Concert Parties). DL Securities is, on behalf of the Offeror, making the Offer in compliance with the Takeovers Code on the terms set out in this Composite Document.

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

The Independent Shareholders are strongly advised 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", the accompanying Acceptance Form and the appendices which form part of 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.

THE OFFER

DL Securities, for and on behalf of the Offeror and in compliance with the Takeovers Code, is making the Offer on the following basis:

For each Offer Share . . . . HK$8.323 in cash

The Offer Price of HK$8.323 per Offer Share under the Offer is equal to the price per Sale Share paid by the Offeror for the 23,970,000 Sale Shares under the Share Purchase Agreement together with the Interest accruing on the Deferred Payment for a period of two months from the Completion Date divided by the number of the 23,970,000 Sale Shares (assuming the Deferred Payment is settled on the date falling two months from the Completion Date), the calculation of which is illustrated below:

$$\text{Price per Sale Share}^{\textit{Note (1)}} + \frac{\text{Interest accruing on the Deferred Payment}^{\textit{Note (2)}}}{\text{Number of the Sale Share}^{\textit{Note (3)}}} = \text{HK\$8.323}$$

Notes:

(1) Price per Sale Share under the Share Purchase Agreement is HK$8.282.

(2) Assuming the Deferred Payment (HK$61,000,000) is settled on the date falling two months from the Completion Date, the Interest is equal to (Deferred Payment x 9.6%) x 2 months/ 12 months = approximately HK$976,000.

(3) Number of Sale Shares is 23,970,000.

The Offer is extended to all Independent Shareholders in accordance with the Takeovers Code. The Offer Shares to be acquired under the Offer will be fully paid and free from all encumbrances together with all rights attached thereto, including but not limited to 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 Offer is unconditional in all respects.

The Offeror confirms that the Offer Price is final and will not be increased.

Immediately after Completion and as at the Latest Practicable Date, there are 32,000,000 Shares in issue, of which 23,970,000 Shares are held by the Offeror and Offeror Concert Parties (representing approximately 74.91% of the total issued Shares).

As at the Latest Practicable Date, there were no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company in issue other than the Shares.

The Board has confirmed that, as at the Latest Practicable Date, (i) the Company has not declared any dividend and/or other distribution and/or other return of capital which remains unpaid; and (ii) it does not intend to declare, make or pay any dividend and/or other distribution and/or other return of capital before the closing, lapse, withdrawal or termination of the Offer (whichever is earlier). If after the Latest Practicable Date, any dividend, distribution and/or return of capital is announced, declared, made and/or paid in respect of the Shares, the Offeror will reduce the Offer Price by an amount equal to the gross amount of such dividend, distribution and/or return of capital paid or made by the Company to such Independent Shareholders who accept or have accepted the Offer pursuant to Note 3 to Rule 26.3 and Note 11 to Rule 23.1 of the Takeovers Code.

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

Comparison of value of the Offer Price

The Offer Price of HK$8.323 per Offer Share represents:

(a) a discount of approximately 84.76% to the closing price as quoted on the Stock Exchange on the Latest Practicable Date of HK$54.60 per Share;

(b) a discount of approximately 72.26% to the closing price as quoted on the Stock Exchange on the Last Trading Day of HK$30.00 per Share;

(c) a discount of approximately 72.75% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) trading days up to and including the Last Trading Day of HK$30.54 per Share;

(d) a discount of approximately 73.13% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the ten (10) trading days up to and including the Last Trading Day of HK$30.97 per Share;

(e) a discount of approximately 70.21% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day of HK$27.940 per Share;

(f) a premium of approximately 220.12% over the audited consolidated net asset value attributable to Shareholders of approximately HK$2.60 per Share, based on the audited consolidated net assets attributable to Shareholders as at 30 April 2025 and the number of Shares in issue as at the Latest Practicable Date; and

(g) a premium of approximately 242.51% over the unaudited consolidated net asset value attributable to Shareholders of approximately HK$2.43 per Share, based on the unaudited consolidated net assets attributable to Shareholders as at 31 October 2025 and the number of Shares in issue as at the Latest Practicable Date.

Highest and Lowest Trading Prices

During the Relevant Period, the highest closing price of the Shares as quoted on the Stock Exchange was HK$64.40 on 9 June 2026 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK$13.00 on 4 February 2026 and 5 February 2026.

Value of the Offer

There are 32,000,000 Shares in issue as at the Latest Practicable Date. On the basis of the Offer Price of HK$8.323 per Offer Share, the entire issued share capital of the Company would be valued at HK$266,336,000.

Assuming no new Shares are issued after Completion and as at the Latest Practicable Date, based on the Offer Price of HK$8.323 per Offer Share and 8,030,000 Offer Shares, the maximum consideration for the Offer would be HK$66,833,690.

Confirmation of financial resources

The Offeror intends to finance and satisfy the Consideration and the Offer with (i) its internal resources, and (ii) the Loan Facility granted by Shanghai Pudong Development Bank Co., Ltd. acting through its Hong Kong branch, which is secured by the Shares owned and to be owned by the Offeror under the Share Charge deposited into a securities account opened with Shanghai Pudong Development Bank Co., Ltd. acting through its Hong Kong branch, which will not result in a transfer of voting rights of the Company before the enforcement of the relevant share charge. Assuming full acceptance of the Offer and that no new Shares will be issued, the maximum aggregate amount payable by the Offeror upon full acceptance of the Offer will be HK$66,833,690. The payment of interest on, repayment of or security for any existing liability (contingent or otherwise) in relation to the Loan Facility, will not depend on the business of the Company to any significant extent.

Each of DL Securities and Dakin Capital, being the joint financial advisers to the Offeror in connection with the Acquisition and the Offer, is satisfied that sufficient financial resources are available to the Offeror to satisfy the consideration payable upon full acceptance of the Offer.

Effect of Accepting the Offer

By accepting the Offer, the Independent Shareholders will sell their Shares to the Offeror free from all encumbrances and together with all rights accruing or attaching to them, including, without limitation, the right to receive all dividends and distributions which may be recommended, declared, made or paid, if any, at any time on or after the date on which the Offer is made, being the date of posting of the Composite Document.

The Offer is unconditional in all respects and will not be conditional upon acceptances being received in respect of a minimum number of Offer Shares or any other conditions. Acceptance of the Offer will be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code, details of which are set out in the paragraph headed "6. Right of Withdrawal" in Appendix I to this Composite Document.

Settlement

Payment in cash in respect of acceptance of the Offer will be made as soon as possible but, in any event, no later than seven (7) Business Days (as defined in the Takeovers Code) after the date on which the duly completed acceptance of the Offer is received in accordance with Rule 20.1 of the Takeovers Code. Relevant document(s) evidencing title in respect of such acceptance must be received by or on behalf of the Offeror (or its agent) to render each such acceptance of the Offer complete and valid in accordance with Note 1 to Rule 30.2 of the Takeovers Code.

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

Stamp Duty

The seller's ad valorem stamp duty arising in connection with acceptance of the Offer will be payable by the relevant Independent Shareholders at a rate of 0.1% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptance of the Offer, whichever is higher, and will be deducted from the cash amount payable by the Offeror to the Independent Shareholders who accept the Offer.

The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the Independent Shareholders accepting the Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the relevant Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

Taxation Advice

Independent Shareholders are recommended to consult their own professional advisers if in doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, the Offeror Concert Parties, the Company, DL Securities, Dakin Capital, the Independent Financial Adviser and (as the case may be) their respective ultimate beneficial owners, directors, officers, employees, 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.

Overseas Shareholders

To the extent practicable and permissible under applicable laws and regulations, the Offeror intends to make the Offer available to all Independent Shareholders, including those who are not resident in Hong Kong. As the Offer to persons with a registered address in a jurisdiction outside Hong Kong may be affected by the laws of the relevant overseas jurisdictions, Independent 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. Persons who are residents, citizens or nationals outside Hong Kong should inform themselves about and observe, at their own responsibility, any applicable laws, regulations, requirements and restrictions in their own jurisdictions in connection with the acceptance of the Offer, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with the other necessary formalities and the payment of any issue, transfer or other taxes due in respect of such jurisdiction.

Any acceptance by the Independent Shareholders with a registered address in a jurisdiction outside Hong Kong will be deemed to constitute a representation and warranty from such overseas Independent Shareholders to the Offeror that the local laws and requirements have been complied with and such acceptance shall be valid and binding in accordance with all applicable laws and regulations. Shareholders who are in doubt as to the action they should take should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

Based on the register of members of the Company, as at the Latest Practicable Date, there was no Overseas Shareholder.

Dealing and interests in the Company's securities

Save for the Sale Shares disposed of by the Sellers and acquired by the Offeror pursuant to the Share Purchase Agreement and the Share Charge, neither the Offeror nor the Offeror Concert Parties (including the Sellers) had dealt in any Shares, convertible securities, warrants or options of the Company or any derivatives in respect of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the Relevant Period.

INFORMATION OF THE GROUP

The Company is a company incorporated in the Cayman Islands with limited liability, the Shares of which are currently listed on the Main Board of the Stock Exchange (stock code: 1657).

The Group is principally engaged in the supply of apparel products with design and sourcing services to fashion retailers and the provision of institutional catering.

Further information on the Group is set out in the paragraph headed "Information of the Group" in the "Letter from the Board" as contained in this Composite Document. Financial Information on the Group is set out in Appendix II to this Composite Document.

INFORMATION OF THE OFFEROR

The Offeror is a company incorporated in Hong Kong with limited liability and its principal activity is investment holding. As at the Latest Practicable Date, the Offeror is directly wholly owned by Sefon Software. Sefon Group is a PRC-based provider of big data and artificial intelligence ("AI") products and services, offering software solutions across data collection, storage, analytics and visualization to customers in sectors including government, energy, transportation, finance and manufacturing sectors across China including Hong Kong.

The table below is a summary of ownership of the Sefon Software as at the Latest Practicable Date:

Shareholders	Number of shares	Approximate percentage
Mr. Zha	6,885,000	18.15%
Entities controlled by Mr. Zha		
– Chengdu Weiye Xingcheng Enterprise Management Center (Limited Partnership)* (成都偉業星程企業管理中心(有限合夥)) ("**Chengdu Weiye Xingcheng**")(1)	5,134,000	13.53%
– Chengdu Weiye Gongchuang Enterprise Management Center (Limited Partnership)* (成都偉業共創企業管理中心(有限合夥)) ("**Chengdu Weiye Gongchuang**") (1)	1,333,500	3.52%

Shareholders	**Number of shares**	**Approximate percentage**
– Chengdu Weiye Qili Enterprise Management Center (Limited Partnership)* (成都偉業齊利企業管理中心(有限合夥)) (“**Chengdu Weiye Qili**”) (1)	781,000	2.06%
– Chengdu Weiye Tiancheng Enterprise Management Center (Limited Partnership)* (成都偉業天成企業管理中心(有限合夥)) (“**Chengdu Weiye Tiancheng**”) (1)	419,000	1.10%
– Chengdu Weiye Zhongxing Enterprise Management Center (Limited Partnership)* (成都偉業眾興企業管理中心(有限合夥)) (“**Chengdu Weiye Zhongxing**”) (1)	86,000	0.23%
– Chengdu Weiye Hesheng Enterprise Management Center (Limited Partnership)* (成都偉業合盛企業管理中心(有限合夥)) (“**Chengdu Weiye Hesheng**”) (1)	35,000	0.09%
Sub-total	14,673,500	38.68%
Linewell Software Co., Ltd.* (南威軟件股份有限公司) (“**Linewell Software**”)(2)	4,513,889	11.90%
Mr. Xu Zhenyu	2,010,000	5.30%
Other minority shareholders(3)	16,736,760	44.12%
Total	37,934,149	100.00%

Notes:

(1) Chengdu Weiye Xingcheng is a limited partnership established in the PRC. As at the Latest Practicable Date, Chengdu Weiye Xingcheng was owned as to approximately 82.14% by Mr. Zha as its general partner. Chengdu Weiye Xingcheng has 25 limited partners, none of which holds more than 30% partnership interest in Chengdu Weiye Xingcheng.

Chengdu Weiye Gongchuang is a limited partnership established in the PRC. As at the Latest Practicable Date, Chengdu Weiye Gongchuang was owned as to approximately 69.70% by Mr. Zha as its general partner. Chengdu Weiye Gongchuang has 23 limited partners, none of which holds more than 30% partnership interest in Chengdu Weiye Gongchuang.

Chengdu Weiye Qili is a limited partnership established in the PRC. As at the Latest Practicable Date, Chengdu Weiye Qili was owned as to approximately 82.46% by Mr. Zha as its general partner. Chengdu Weiye Qili has 12 limited partners, none of which holds more than 30% partnership interest in Chengdu Weiye Qili.

Chengdu Weiye Tiancheng is a limited partnership established in the PRC. As at the Latest Practicable Date, Chengdu Weiye Tiancheng was owned as to approximately 46.18% by Mr. Zha as its general partner. Chengdu Weiye Tiancheng has 22 limited partners, none of which holds more than 30% partnership interest in Chengdu Weiye Tiancheng.

Chengdu Weiye Zhongxing is a limited partnership established in the PRC. As at the Latest Practicable Date, Chengdu Weiye Zhongxing was owned as to approximately 29.67% by Mr. Zha as its general partner. Chengdu Weiye Zhongxing has 16 limited partners, none of which holds more than 30% partnership interest in Chengdu Weiye Zhongxing.

Chengdu Weiye Hesheng is a limited partnership established in the PRC. As at the Latest Practicable Date, Chengdu Weiye Hesheng was owned as to approximately 37.84% by Mr. Zha as its general partner. Chengdu Weiye Hesheng has six limited partners, none of which holds more than 30% partnership interest in Chengdu Weiye Hesheng.

(2) Linewell Software has been listed on the Shanghai Stock Exchange (stock code: 603636) since 2014. As at the Latest Practicable Date, the largest shareholder of Linewell Software is Mr. Wu Zhixiong who holds approximately 35.36% in the shareholding of Linewell Software.

(3) Each of the other 42 minority shareholders of Sefon Software holds less than 5% in Sefon Software.

Mr. Zha, aged 51, is the chairman of the board of Sefon Software. Mr. Zha has over 25 years of experience in the information technology and business management sectors. Mr. Zha joined Sefon Software in September 2016 and has been serving as the chairman of the board of Sefon Software since then.

Mr. Zha is a member of the Chinese People's Political Consultative Conference of the Wuhou District of Chengdu. Mr. Zha has been recognised with various honours and awards, including the high-level talent under the National Special Support Plan for High-Level Talents in Science and Technology Entrepreneurship (國家高層次人才特殊支持計劃科技創業領軍人才), Chengdu Leading Talent in Big Data (成都市大數據領軍人才), Chengdu Outstanding Talent in New Economy (成都市新經濟優秀人才), and the "Tianfu Qingcheng" Leading Talent in Entrepreneurship of Sichuan Province (四川省"天府青城"天府創業領軍人才).

Immediately before Completion, (i) none of the Offeror, its ultimate beneficial owners, its director and the Offeror Concert Parties (save for the Sellers) held any Shares; and (ii) the Sellers were interested in 23,970,000 Shares, i.e. the Sale Shares. Immediately after Completion, none of the Offeror, the ultimate beneficial owners and director of the Offeror and the Offeror Concert Parties holds any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company, save for the 23,970,000 Shares acquired by the Offeror through the Acquisition, representing approximately 74.91% of the total issued Shares.

INTENTION OF THE OFFEROR IN RELATION TO THE GROUP

Following the close of the Offer, it is the intention of the Offeror that the Group will continue with its existing principal business for long-term purposes. The Offeror does not intend to introduce any major changes to the existing operations and business of the Group immediately after close of the Offer and will neither redeploy nor dispose of any of the assets (including fixed assets) of the Group other than in the ordinary course of business. As at the Latest Practicable Date, (i) the Offeror did not have any intention, understanding, negotiation, arrangement, and agreements (formal or informal, express or implied) to downsize or dispose of any existing business or assets of the Group; and (ii) no investment or business opportunity had been identified nor had the Offeror entered into any agreement, arrangement, understanding or negotiation in relation to (a) the injection of any assets or business into the Group; or (b) the disposal of any assets or business of the Group.

The Acquisition represents a strategic opportunity for the Offeror and Sefon Software to diversify the revenue stream and business portfolio. The Offeror and Sefon Software intend to explore new industry sectors through strategic investments. Although Mr. Zha does not have industry-specific experience in the exact industry segment in which the Group is currently engaged, Mr. Zha, with his extensive experience in business operations, corporate development, client relations, commercial networking and strategic oversight, will also assist the Group in establishing and maintaining business relationships to enhance the operation of the Group. In particular, Mr. Zha is the chairman of the board of Sefon Software, which specializes in providing big data and AI products and services and has accumulated experience in delivering big data and AI solutions across different industries. Leveraging such experience, Mr. Zha will be able to provide strategic guidance in exploring opportunities to enhance the Group's existing operations and business development, including potential digital transformation, supply chain optimisation, intelligent analytics and AI-assisted decision-making applications in the apparel and related supply chain sectors, where appropriate. In this regard, Mr. Zha will be able to contribute to the Group at the Board-level by providing strategic support, business development input and guidance on the enhancement of the Group's operations, while the Group's day-to-day operations and industry-specific matters will continue to be handled by the existing management team and relevant operational staff. Accordingly, Mr. Zha's proposed contribution to the Group does not necessarily require him to possess industry-specific operational experience in the Group's industry.

Nevertheless, following the close of the Offer, the Offeror will conduct a detailed review on the existing principal operations and business, and the financial position of the Group for the purpose of formulating business plans and strategies for the Group's long-term business development and will explore other business opportunities for the Group. Subject to the results of the review, and should suitable investment or business opportunities arise, the Offeror may consider whether any assets and/or business acquisitions or disposals by the Group will be appropriate in order to enhance its growth. Any acquisition or disposal of the assets or business of the Group, if any, will be conducted in compliance with the Listing Rules.

As at the Latest Practicable Date, no investment or business opportunity has been identified nor has the Offeror entered into any agreement, arrangement, understanding or negotiation in relation to the injection of any assets or business into the Group.

As at the Latest Practicable Date, save for the change(s) to the composition of the Board as mentioned below, the Offeror has no intention to make material changes to the employment of employees or other personnel of the Group.

PROPOSED CHANGE TO THE BOARD COMPOSITION OF THE COMPANY

As at the Latest Practicable Date, the Board comprises Mr. Choi, Mr. Choi Ching Shing and Ms. Li Li Mei as executive Directors; and Mr. Lai Kwok Hung, Alex, Mr. Yeung Chuen Chow, Thomas and Mr. Cüneyt Bülent Bilâloğlu as independent non-executive Directors.

It is intended that, except for Mr. Choi, who will be redesignated as a non-executive Director, all of the executive Directors and independent non-executive Directors (the "**Departing Directors**") would resign with effect (i) after the publication of the closing announcement of the Offer, which is the earliest time permitted under the Takeovers Code, and (ii) the appointment of the new independent non-executive Directors. At the same time as the resignation of the Departing Directors becomes effective, the Offeror intends to procure the Company to take the following actions in order to continue to comply with the relevant requirements on board composition and board diversity under Chapter 3 of the Listing Rules and Rule 13.92 of the Listing Rules immediately after the publication of the closing announcement of the Offer:

(i) appoint sufficient number of new independent non-executive Directors as required under Rules 3.10 and 3.10A of the Listing Rules;

(ii) ensure that one of the new independent non-executive Directors to be appointed to the Board possesses appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules; and

(iii) ensure that one of the new independent non-executive Directors is of a different gender to the then Directors, and such independent non-executive Director will be appointed to the nomination committee of the Board ("**Nomination Committee**").

As disclosed in the Joint Announcement, the Offeror intends to nominate new Directors to the Board to facilitate the business operation, management and strategy of the Group. As at the Latest Practicable Date, the Offeror intends to nominate Mr. Zha, Mr. Wang Chunbin, Mr. Zhang Denghui and Mr. Jiang Hongqing as executive Directors for appointment to the Board with effect from a time no earlier than that as permitted under the Takeovers Code (i.e. immediately after the posting of the Composite Document) or such later date as the Offeror considers to be appropriate. Any changes to the members of the Board will be made in compliance with the Takeovers Code and/or the Listing Rules and further announcement(s) will be made as and when appropriate. Upon the appointment of the proposed Directors becoming effective immediately after the posting of the Composite Document, (i) Mr. Choi will also resign from his positions as the chairman of the Board, a member of the remuneration committee of the Board ("**Remuneration Committee**"), the chairman of the Nomination Committee, the authorised representative of the Company as required under Rule 3.05 of the Listing Rules, and the chief executive officer of the Company; (ii) Mr. Zha will be appointed as the chairman of the Board, a member of the Remuneration Committee, the chairman of the Nomination Committee, and the authorised representative of the Company as required under Rule 3.05 of the Listing Rules; and (iii) Mr. Wang Chunbin will be appointed as the chief executive officer of the Company.

The biographical information of the proposed Directors nominated by the Offeror is set out below:

Mr. Zha Wenyu (查文宇), aged 51, is the chairman of the board of Sefon Software. Mr. Zha has over 25 years of experience in the information technology and business management sectors. Mr. Zha joined Sefon Software in September 2016 and has been serving as the chairman of the board of Sefon Software since then. Mr. Zha is a member of the Chinese People's Political Consultative Conference of the Wuhou District of Chengdu. Mr. Zha has been recognised with various honours and awards, including the high-level talent under the National Special Support Plan for High-Level Talents in Science and Technology Entrepreneurship (國家高層次人才特殊支持計劃科技創業領軍人才), Chengdu Leading Talent in Big Data (成都市大數據領軍人才), Chengdu Outstanding Talent in New Economy (成都市新經濟優秀人才), and the "Tianfu Qingcheng" Leading Talent in Entrepreneurship of Sichuan Province (四川省"天府青城"天府創業領軍人才).

Mr. Zha obtained a bachelor's degree in business administration from Chongqing Technology and Business University (重慶工商大學) (formerly known as Chongqing Business School (重慶商學院)).

Save as disclosed herein, as at the Latest Practicable Date, Mr. Zha (i) does not hold any position in the Company or other members of the Group; (ii) has not held any directorship in the last three years in other public companies the securities of which are listed on any securities market in Hong Kong or overseas; (iii) does not have any relationship with any Directors, senior management or substantial or controlling shareholders (as defined in the Listing Rules) of the Company; and (iv) does not have any interest in the Shares or underlying Shares within the meaning of Part XV of the SFO.

Mr. Wang Chunbin (王純斌), aged 49, is the director and general manager of Sefon Software. Mr. Wang has over 24 years of experience in information technology, software development, and corporate management. He joined Sefon Software in May 2014 and has been serving as the director and general manager of Sefon Software since then.

Mr. Wang obtained a bachelor's degree in mechanical design and manufacturing from Qingdao University of Technology (青島理工大學) (formerly known as Qingdao Institute of Architecture and Engineering (青島建築工程學院)).

Mr. Wang was awarded the third prize for Scientific and Technological Progress Award by the Chengdu Municipal People's Government (成都市科技進步三等獎) in 2007, the third prize for Scientific and Technological Progress Award by the Sichuan Provincial People's Government (四川省科技進步三等獎) in 2012, and the second prize for Scientific and Technological Progress Award by the Sichuan Provincial People's Government (四川省科技進步二等獎) in 2019. He was recognized as a "Technology Leader" under the "Rongbei Talent" programme (成都市蓉貝人才技術領銜人) by the Chengdu Municipal People's Government (2019).

Save as disclosed herein, as at the Latest Practicable Date, Mr. Wang (i) does not hold any position in the Company or other members of the Group; (ii) has not held any directorship in the last three years in other public companies the securities of which are listed on any securities market in Hong Kong or overseas; (iii) does not have any relationship with any Directors, senior management or substantial or controlling shareholders (as defined in the Listing Rules) of the Company; and (iv) does not have any interest in the Shares or underlying Shares within the meaning of Part XV of the SFO.

Mr. Zhang Denghui (張登輝), aged 31, is the director and senior vice general manager of Chengdu Sefon Software. Mr. Zhang joined Sefon Software in November 2017. He has held various positions at Sefon Software, including customer manager, general manager of the northwestern region, general manager of the northern region, and director and senior vice general manager. He is currently responsible for the marketing system and the market expansion of Sefon Software's solutions and products.

Mr. Zhang obtained a bachelor's degree in engineering, majoring in network engineering, from Southwest Minzu University (西南民族大學).

Save as disclosed herein, as at the Latest Practicable Date, Mr. Zhang (i) does not hold any position in the Company or other members of the Group; (ii) has not held any directorship in the last three years in other public companies the securities of which are listed on any securities market in Hong Kong or overseas; (iii) does not have any relationship with any Directors, senior management or substantial or controlling shareholders (as defined in the Listing Rules) of the Company; and (iv) does not have any interest in the Shares or underlying Shares within the meaning of Part XV of the SFO.

Mr. Jiang Hongqing (蔣洪慶), aged 51, is the director, senior vice general manager, chief financial officer and secretary to the board of Sefon Software. Mr. Jiang has nearly 30 years of experience in finance, auditing, and capital operations. He joined Sefon Software in May 2018 and has been serving as the director, deputy general manager, chief financial officer and secretary to the board of Sefon Software since then. Prior to his joining in Sefon Software, he took up various positions including director, deputy general manager, and chief financial officer of Chengdu Hengrun Hi-Tech Co., Ltd. (成都恒潤高新科技股份有限公司) from December 2014 to April 2018.

Mr. Jiang obtained a bachelor's degree in business administration from Chengdu University of Technology (成都理工大學). He is a Certified Public Accountant (non-practising) accredited by The Chinese Institute of Certified Public Accountants. He also holds the board secretary qualifications for the Shenzhen Stock Exchange and the STAR Market of the Shanghai Stock Exchange.

As disclosed in the biographical details of the proposed Directors above, they possess experience in business management, corporate operations, financial management, investment management and client relationship management. While they may not have industry-specific experience in the exact industry segment in which the Group is currently engaged, the Offeror and the Company consider that they collectively possess the requisite ability, competence and commercial judgment to discharge their duties as executive Directors of the Company. In particular, the proposed Directors have experience in, (i) overseeing business operations and management functions, (ii) evaluating and formulating corporate development strategies, (iii) supervising financial and internal control matters; and (iv) managing external and commercial relationships.

The Offeror considers that the discharge of the duties of skill, care and diligence by Directors does not necessarily require each Director to possess sector-specific technical knowledge; the relevant assessment should take into account the Directors' overall capability and competence in providing Board-level management oversight, strategic direction, governance supervision, financial and internal control oversight and business development input. In light of the above, the proposed Directors will be able to discharge their duties of director based on their experience as set out in their biographical details. In addition, they will also be supported by the Group's existing management team and relevant operational personnel who are familiar with the Group's day-to-day business operations and industry-specific matters.

Save as disclosed herein, as at the Latest Practicable Date, Mr. Jiang (i) does not hold any position in the Company or other members of the Group; (ii) has not held any directorship in the last three years in other public companies the securities of which are listed on any securities market in Hong Kong or overseas; (iii) does not have any relationship with any Directors, senior management or substantial or controlling shareholders (as defined in the Listing Rules) of the Company; and (iv) does not have any interest in the Shares or underlying Shares within the meaning of Part XV of the SFO.

PUBLIC FLOAT AND MAINTENANCE OF THE LISTING OF THE SHARES

As at the Latest Practicable Date, the Offeror intends to maintain the listing of the Shares on the Stock Exchange following the close of the Offer. The Offeror does not intend to avail itself of any powers of compulsory acquisition of any Shares outstanding after the close of the Offer.

The Stock Exchange has stated that:

(a) if, upon the close of the Offer, the Stock Exchange believes that:

   – a false market exists or may exist in the trading of the Shares; or

   – an orderly market does not exist or may not exist;

   – it will consider exercising its discretion to suspend dealings in the shares; and

(b) if, at the close of the Offer, the Company has a Significant Public Float Shortfall (as defined in Rule 13.32F of the Listing Rules), then:

   – the Stock Exchange will add a designated marker to the stock name of the Shares; or

   – the Stock Exchange will cancel the listing of the Shares if the Company fails to re-comply with Rule 13.32B of the Listing Rules for a continuous period of 18 months from the commencement of the Significant Public Float Shortfall.

The Offeror intends the Company to remain listed on the Stock Exchange. The sole director of the Offeror and the new Directors to be appointed to the Board of the Company will jointly and severally undertake to the Stock Exchange that if, at the close of the Offer, the Company fails to comply with the requirement of Rule 13.32B of the Listing Rules, they will take appropriate steps to ensure the Company's compliance with Rule 13.32B of the Listing Rules at the earliest possible moment.

If the level of acceptances of the Offer Shares resulting in the shareholding of the Offeror and Offeror Concert Parties reaches 75% of the total issued share capital of the Company, the Company will make an application to the Stock Exchange under Rule 13.33(1) of the Listing Rules for a temporary waiver for a reasonable period after the close of the Offer to re-comply with Rule 13.32B of the Listing Rules provided that the public float shortfall is not a Significant Public Float Shortfall (as defined in Rule 13.32F of the Listing Rules).

Each of the Directors and the new Director(s) to be appointed (if any) will jointly and severally undertake to the Stock Exchange to take appropriate steps (which may include, among other potential measures, the disposal of Shares held by the Offeror by way of placing) as soon as possible following the close of the Offer to ensure that sufficient public float exists in the Shares after the close of the Offer. Further announcement(s) regarding the restoration of public float (if any) will be made by the Company as and when appropriate.

ACCEPTANCE AND SETTLEMENT

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

GENERAL

This Composite Document has been prepared for the purposes of complying with the laws of Hong Kong, the Takeovers Code, and the Listing Rules, and the information disclosed may not be the same as the information which would have been disclosed if this Composite Document had been prepared in accordance with the relevant laws of jurisdictions outside Hong Kong.

All documents, communications, notices, Acceptance Form, share certificate(s), transfer receipt(s), other document(s) of title and remittances in respect of cash consideration payable for the Offer Shares tendered under the Offer will be sent to the accepting Shareholders by ordinary post at such Shareholder's own risk. These documents and remittances will be sent to them at their respective addresses as they appear in the register of members of the Company as at the Latest Practicable Date, or in the case of joint Shareholders, to the Shareholder whose name appears first in the said register of members, unless otherwise specified in the accompanying Acceptance Form completed, returned and received by the Hong Kong Share Registrar. None of the Offeror, Offeror Concert Parties, the Company, DL Securities, Dakin Capital, the Independent Financial Adviser, the Hong Kong Share Registrar, the company secretary of the Company and any of their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offer will be responsible for any loss in postage or delay in transmission of such documents and remittances or any other liabilities that may arise as a result thereof. Further details have been set out in Appendix I to this Composite Document and in the accompanying Acceptance Form.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Composite Document and the accompanying Acceptance Form, which form part of this Composite Document. You are reminded to carefully read 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, before deciding whether or not to accept the Offer.

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

Yours faithfully
for and on behalf of
DL Securities (HK) Limited

Tommy Cheng	**Nathan Au**
Managing Director	*Managing Director*
Corporate Finance Division	*Corporate Finance Division*