



Jin Yi Financial Group Limited
Office Nos. 1402–1403, 14/F
Tower 2, Admiralty Centre
No 18 Harcourt Road
Hong Kong
18 July 2025

To the Independent Shareholders and Optionholders

Dear Sir/Madam,

**MANDATORY UNCONDITIONAL CASH OFFERS BY
JIN YI FINANCIAL GROUP LIMITED FOR
AND ON BEHALF OF PACIFIC CROUCH LIMITED TO
ACQUIRE ALL THE ISSUED SHARES OF
JANCO HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED AND/OR
AGREED TO BE ACQUIRED BY THE OFFEROR AND
PARTIES ACTING IN CONCERT WITH IT)
AND TO CANCEL ALL OUTSTANDING SHARE OPTIONS**

INTRODUCTION

Reference is made to the Joint Announcement dated 13 June 2025, where the Company and the Offeror jointly announced, among other things, that the Company was informed by the Offeror that on 22 April 2025, the Offeror has purchased 152,994,000 Shares at HK\$0.05 per Share from open market.

During a regular business meeting between Mr. Cheng and Mr. Liang, being a non-executive Director of the Company, they discussed the possibility of shareholding changes in the Company. Following the discussion, Mr. Liang expressed his willingness to sell his own Shares, and Mr. Cheng requested acquiring a significant number of Shares. Given Mr. Liang's connections with certain investors and his knowledge of the brokerage firms representing them, Mr. Liang reached out to these investors and/or their brokerage firms to seek their interest in selling their Shares alongside his. Mr. Liang referred the investors' brokerage firms to Jin Yi Financial, the Offeror's broker, and Jin Yi Financial directly liaised with their brokerage firms to agree on the arrangement and purchase price of the Purchase. On 22 April 2025, Jin Yi Financial executed the Purchase on exchange. Mr. Liang confirms that he received nothing in return for his coordination of the sellers and/or their respective brokerage firms. Mr. Liang is also one of the sellers and disposed 2,500,000 Shares at a price of HK\$0.05 per share on 22 April 2025.

According to the Disclosure of Interests notice filed by Mr. Chan dated 23 April 2025, Mr. Chan disposed 60,000,000 Shares at a price of HK\$0.05 per share on 22 April 2025. After confirming with Mr. Liang, Mr. Chan was one of the sellers involved in the Purchase and his 60,000,000 Shares formed part of the 152,994,000 Shares acquired by the Offeror on 22 April 2025.

Except for Mr. Liang and Mr. Chan, who disposed of 2,500,000 Shares and 60,000,000 Shares respectively, (i) the Offeror, Mr. Cheng, Ms. Tai and/or parties acting in concert with any of them (including the Joint Financial Advisers and Jin Yi Financial) and (ii) Mr. Liang are not aware of the identities of the sellers of the remaining 90,494,000 Shares.

Immediately prior to the Purchase, the Offeror and parties acting in concert with it was interested in 173,460,000 Shares, representing approximately 28.91% of the issued share capital of the Company. Upon completion of the Purchase on 22 April 2025 and as at the Latest Practicable Date, the Offeror and parties acting in concert with it, are interested in 326,454,000 Shares, representing approximately 54.41% of the voting rights of the Company as at the Latest Practicable Date.

Pursuant to Rule 26.1 of the Takeovers Code, the Purchase triggered the obligation for the Offeror to make a mandatory unconditional cash offer for all issued Shares (other than those already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it). Pursuant to Rule 13.5 of the Takeovers Code, the Option Offer will also be made to cancel all the outstanding Share Options. Jin Yi Financial, for and on behalf of the Offeror, is making the Share Offer to acquire all the Offer Shares and the Option Offer to cancel all outstanding Share Options on the terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code.

This letter forms part of this Composite Document which sets out, among other things, the principal terms of the Offers, the information of the Offeror and the Offeror's intentions on the Group. Further details on the terms of the Offers and procedures of acceptance and settlement are set out in Appendix I to this Composite Document and the accompanying Forms of Acceptance. The Independent Shareholders and Optionholder(s) are strongly advised to consider carefully the information contained in sections headed "Letter from the Board", "Letter from the Independent Board Committee" and "Letter from the Independent Financial Adviser" and the appendices as set out in this Composite Document before reaching a decision as to whether or not to accept the Offers.

THE OFFERS

Principal terms of the Offers

Silverbricks Securities and Zhongtai International have been appointed as the Joint Financial Advisers to the Offeror in respect of the Offers. Jin Yi Financial, for and on behalf of the Offeror, is making the mandatory unconditional cash offers (i) to acquire all issued Shares in the share capital of the Company (other than those already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it) pursuant to Rule 26.1 of the Takeovers Code; and (ii) to cancel all the outstanding Share Options at appropriate price in compliance with Rule 13 of the Takeovers Code.

The Share Offer

For each Offer Share held..... HK\$0.06 in cash

The Share Offer Price of HK\$0.06 per Offer Share represents the highest price paid by the Offeror and parties acting in concert with it for the acquisition of the Shares within six months prior to the commencement of the Offer Period.

The Share Offer is extended to all Independent Shareholders in accordance with the Takeovers Code.

The Offer Shares to be acquired under the Share Offer shall be fully paid and free from all Encumbrances and together with all rights attaching to them, including the right to receive in full all dividends and other distributions, if any, recommended, declared, made or paid by reference to a record date on or after the date on which the Share Offer is made, that is, the date of despatch of the Composite Document.

The Option Offer

For cancellation of each Share Option with

exercise price of HK\$0.2066 HK\$0.01 in cash

Pursuant to Rule 13 of the Takeovers Code and Practice Note 6 to the Takeovers Code, the Option Offer Price would normally represent the difference between the exercise price of the Share Options and the Share Offer Price. Under the Option Offer, given that the exercise price of the outstanding Share Options is above the Share Offer Price, the outstanding Share Options are out-of-money and the Option Offer Price for the cancellation of each outstanding Share Option is set at a nominal value of HK\$0.01.

The Option Offer is extended to all Optionholders in accordance with the Takeovers Code.

As at the Latest Practicable Date, there are 600,000,000 Shares in issue, of which 326,454,000 Shares are held by the Offeror and parties acting in concert with it (representing approximately 54.41% of the total issued Share).

As at the Latest Practicable Date, there are outstanding Share Options in respect of 3,000,000 Shares. The exercise price of the outstanding Share Options is HK\$0.2066 per Share Option. All Share Options were granted under the share option scheme of the Company adopted on 23 September 2016.

Save as disclosed above, the Company does not have any outstanding Shares, options, warrants or derivatives which are convertible or exchangeable into Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code), and has not entered into any agreement for the issue of such Shares, options, derivatives, warrants or securities which are convertible or exchangeable into Shares as at the Latest Practicable Date. Further details of the terms of the Offers and the procedures for acceptance are set out in Appendix I to this Composite Document and the accompanying Forms of Acceptance.

As at the Latest Practicable Date, none of the members of the Offeror, Mr. Cheng, Ms. Tai and/or parties acting in concert with any of them has received any irrevocable commitment to accept or reject the Offers. The Offer Shares and Share Options to be acquired under the Offers shall be fully paid and shall be acquired free from all Encumbrances and together with all rights attaching thereto, including the rights to receive in full all dividends and other distributions, if any, recommended, declared, made or paid by reference to a record date on or after the date on which the Offers is made, i.e. the date of despatch of the Composite Document.

The Company confirms that as at the Latest Practicable Date, (i) it does not have any dividend or distribution recommended, declared or made but unpaid; and (ii) it does not have any intention to recommend, make, declare or pay any future dividend/make other distributions until the close of the Offers.

Comparison of value

The Share Offer Price of HK\$0.06 per Offer Share represents:

- (a) a discount of approximately 26.93% to the closing price of HK\$0.0820 per Share as quoted on the Stock Exchange on 16 July 2025, being the Latest Practicable Date;
- (b) a discount of approximately 7.69% to the closing price of HK\$0.0650 per Share as quoted on the Stock Exchange on 22 April 2025, being the Last Trading Day;
- (c) a discount of approximately 12.79% to the average closing price of approximately HK\$0.0688 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;
- (d) a discount of approximately 12.28% to the average closing price of approximately HK\$0.0684 per Share as quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to and including the Last Trading Day;
- (e) a premium of approximately 3.63% over the average closing price of approximately HK\$0.0579 per Share as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Day; and
- (f) a discount of approximately HK\$0.0114 (being approximately 15.97%) to the audited consolidated net asset value of the Group of approximately HK\$0.0714 per Share as at 31 December 2024 calculated based on the audited net assets of the Group as at 31 December 2024 of approximately HK\$42,869,000 and 600,000,000 Shares in issue as at the Latest Practicable Date.

Highest and lowest Share price

During the six-month period immediately preceding and including the Last Trading Day, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.083 from 5 November 2024 to 26 November 2024 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.042 from 11 March 2025 to 12 March 2025.

Total value of the Offers

Based on (i) the Share Offer Price of HK\$0.06 per Offer Share; (ii) the Option Offer Price of HK\$0.01 per Share Option; (iii) 273,546,000 Offer Shares not already held or agreed to be acquired by the Offeror and parties acting in concert with it; and (iv) 3,000,000 outstanding Share Options:

- (a) Assuming no outstanding Share Options are exercised and the Share Offer and Option Offer are accepted in full, the total value of the Offers shall be HK\$16,442,760 which comprises:
 - (i) the value of the Share Offer of HK\$16,412,760; and
 - (ii) the total amount to satisfy the cancellation of all outstanding Share Options of HK\$30,000.
- (b) Assuming all outstanding Share Options are exercised in full and the Share Offer is accepted in full (including all Shares issued and allotted as a result of the exercise of the Share Options), the total value of the Offers shall be HK\$16,592,760 which comprises:
 - (i) the value of the Share Offer of HK\$16,592,760; and
 - (ii) no amount to be payable by the Offeror under the Option Offer.

Confirmation of financial resources

The maximum consideration payable by the Offeror in respect of acceptances of the Offers is HK\$16,592,760, assuming there is no change in the issued share capital of the Company from the Latest Practicable Date up to the Closing Date and based on the Offer Price of HK\$0.06 per Offer Share and the Option Offer Price of HK\$0.01 per Share Option.

The Offeror will finance and satisfy the maximum consideration payable under the Offers by its internal resources. Silverbricks Securities and Zhongtai International, being the Joint Financial Advisers to the Offeror, are satisfied that sufficient financial resources are available to the Offeror to satisfy the maximum consideration payable upon full acceptance of the Offers.

Conditions of the Offers

The Offers are unconditional in all respects and are extended to all Shareholders and Optionholders other than the Offeror and parties acting in concert with it in accordance with the Takeovers Code.

Effect of accepting the Offers

Acceptance of the Share Offer by any Independent Shareholders will constitute a warranty by such person that all Offer Shares to be sold by such person under the Share Offer are fully paid and free from all Encumbrances and together with all rights attaching to them, including the right to receive in full all dividends and other distributions, if any, recommended, declared, made or paid by reference to a record date on or after the date on which the Share Offer is made, that is, the date of despatch of the Composite Document.

Acceptance of the Option Offer by Optionholders will result in the cancellation of those outstanding Share Options, together with all rights attaching thereto. Shares Options will lapse automatically (to the extent not exercised and accepted under the Option Offer) on the date upon the close of the Offers.

As the Offers are unconditional, acceptance of the Offers would be irrevocable and would not be capable of being withdrawn in accordance with the Takeovers Code, 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.

Payment

Payment in cash in respect of acceptances of the Offers will be made by the Offeror as soon as possible but in any event no later than seven (7) Business Days after the receipt of duly completed acceptances of the Offers. Relevant documents evidencing title must be received by or on behalf of the Offeror to render such acceptance of the Offers complete and valid in accordance with the Takeovers Code.

No fractions of a Hong Kong cent will be payable and the amount of cash consideration payable to an Independent Shareholder or an Optionholder who accepts the Share Offer or the Option Offer (as the case may be) will be rounded up to the nearest Hong Kong cent.

Hong Kong stamp duty

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

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

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

Overseas Independent Shareholders and Overseas Optionholders

The Offeror intends to make the Offers available to all Independent Shareholders and Optionholders including the Overseas Independent Shareholders and Overseas Optionholders.

However, the Offers to persons not resident in Hong Kong may be affected by the laws of the relevant jurisdiction in which they are resident. The making of the offer to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or limited by the laws or regulations of the relevant jurisdictions. Overseas Independent Shareholders and Overseas Optionholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek independent legal advice. It is the responsibility of Overseas Independent Shareholders and Overseas Optionholders who wish to accept the Share Offer and Option 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 Share Offer and Option Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due from the accepting Overseas Independent Shareholders and Overseas Optionholders in respect of such jurisdictions).

Based on the register of members and register of Optionholders of the Company, as at the Latest Practicable Date, there is no Overseas Independent Shareholder nor Overseas Optionholders.

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

Taxation advice

Independent Shareholders and Optionholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offers. None of the Offeror, parties acting in concert with it, the Company, Jin Yi Financial, Silverbricks Securities and Zhongtai International, and their respective ultimate beneficial owners, directors, advisers, agents or associates or any other person involved in the Offers accepts responsibility for any taxation or other effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offers.

Procedures for acceptance

Your attention is drawn to “Further Terms and Procedures for Acceptance of the Offers” as set out in Appendix I to this Composite Document and the accompanying Forms of Acceptance.

INFORMATION ON THE GROUP

Details of the information on the Group are set out in the paragraph headed “Information on the Group” in the “Letter from the Board” in this Composite Document.

INFORMATION ON THE OFFEROR

The Offeror was incorporated in BVI with limited liability. The Offeror is principally engaged in investment holding. As at the Latest Practicable Date, except for the 152,994,000 Shares held by the Offeror representing 25.50% shareholding of Company, the Offeror does not hold any other investments. The directors of the Offeror are Mr. Cheng and Ms. Tai. The Offeror is wholly owned by Mr. Cheng.

As at the Latest Practicable Date, the Offeror and parties acting in concert with it are interested in 326,454,000 Shares, representing approximately 54.41% of the total issued share capital of the Company.

Mr. Cheng, aged 63, is a founder of the Group and one of the controlling shareholders of the Company. He was appointed as the Director on 12 November 2015 and was re-designated as our executive Director on 8 April 2016, until 4 October 2019. Mr. Cheng has extensive experience in the freight forwarding and logistics industries and has engaged in such industries for over 40 years. Prior to establishing the Group in 1990, he worked as a clerk in Maersk Line (Hong Kong) Limited, being a company engaging in the provision of container shipping and terminals, freight forwarding services and logistics services, from September 1980 to August 1983. From August 1983 to October 1985, he worked as a sales manager in Hanford International Transport Limited, being a company engaging in freight forwarding. From October 1985 to April 1986, he worked as a sales manager in South East Cargo Services Limited, being a company engaging in freight forwarding. From April 1986 to November 1990, he worked as a branch manager in CF Ocean Service (Hong Kong) Limited, being a company engaging in freight forwarding. He was a director of JFX Limited, the company which operated the freight forwarding business of the Group in Hong Kong, from November 1991 to February 2016. Mr. Cheng was a member in the logistics services advisory committee of the Hong Kong Trade Development Council. He completed his secondary education in 1979.

As of the Latest Practicable Date, Mr. Cheng does not hold any directorship in any listed company in Hong Kong and is not a substantial shareholder of any other listed company in Hong Kong save for the Company.

Immediately before the Purchase, the Offeror and parties acting in concert with it are the single largest Shareholder group holding 173,460,000 Shares, representing approximately 28.91% of the issued share capital of the Company.

INTENTIONS OF THE OFFEROR REGARDING THE GROUP

It is the intention of the Offeror to continue with the Group’s existing principal business activities.

Upon completion of the Offers, while continuing the principal business of the Group, the Offeror will conduct a review of the existing principal businesses, operations, financial position, investments, proposed investments of the Group for the purpose of formulating long-term business plans and strategies for the future business development of the Group.

Further, subject to the results of the review, the Offeror may explore other business opportunities and consider whether any asset disposals, asset acquisitions, business rationalization, 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, the Offeror has no intention to introduce major changes to the existing business of the Group and intends to maintain the Company's existing principal activities.

As at the Latest Practicable Date, no material investment or business opportunity has been identified nor has the Offeror or any party acting in concert with it entered into any agreement, arrangement, understandings or negotiation in relation to the injection of any asset or business into the Group.

The Offeror will, depending on the business operations and development of the Group in the future, constantly review the employee structure of the Group so as to meet the needs of the Group from time to time. As at the Latest Practicable Date, the Offeror has no intention to (i) discontinue the employment of any employees of the Group (who are not Directors of the Company); or (ii) redeploy the fixed assets of the Company other than those in its ordinary and usual course of business; or enter into any agreement, arrangement, negotiation or undertaking (formal or informal; express or implied) to downsize or dispose of any of the Company's existing business and/or acquire any new businesses. However, the Offeror reserves the right to make such changes that it deems necessary or appropriate to the Group's business and operations to optimise the value of the Group.

PROPOSED CHANGE OF BOARD COMPOSITION

As at the Latest Practicable Date, the Board comprises Mr. Chan Kwok Wai, Mr. Lai Chung Wing and Mr. Lo Wai Wah as executive Directors, Mr. Tam Tsz Yeung Alan (Chairman), and Mr. Liang as non-executive Directors, and Ms. Chik Wai Chun, Mr. Moy Yee Wo Matthew and Mr. Yu Kwok Fai as independent non-executive Directors.

As at the Latest Practicable Date, the Offeror has not decided on the future composition of the Board. Any changes to the Board will be made in compliance with the Takeovers Code, the GEM Listing Rules and the bye-laws of the Company and further announcement will be made by the Company as and when appropriate.

PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY

The Offeror does not intend to avail itself of any powers of compulsory acquisition of any Shares outstanding after the close of the Offers and has no intention to privatize the Company. It intends to maintain the listing of the Shares on the Stock Exchange after the close of the Offers.

The Stock Exchange has stated that if, at the close of the Offers, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares (excluding treasury shares), are held by the public, or if the Stock Exchange believes that: (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend trading in the Shares.

Therefore, it should be noted that upon the close of the Offers, 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 Offeror intends the Company to remain listed on the Stock Exchange. The directors of the Offeror and any new Director(s) to be appointed to the Board of the Company will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Company's Shares.

COMPULSORY ACQUISITION

The Offeror does not intend to exercise any right which may be available to it to compulsorily acquire any outstanding Offer Shares not acquired or any outstanding Share Option not cancelled under the Offers.

ACCEPTANCE AND SETTLEMENT

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

GENERAL

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

To ensure equality of treatment of all Independent Shareholders and Optionholders, those Independent Shareholders who hold Shares or Optionholders who hold Share Options as nominee on behalf of more than one beneficial owner should, as far as practicable, treat the holding of such beneficial owner separately. It is essential for the beneficial owners of the Shares or Share Options whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Offers.

The attention of the Overseas Independent Shareholders and Overseas Optionholders is drawn to the section headed "Important Notices" contained in this Composite Document and the paragraph headed "**7. OVERSEAS INDEPENDENT SHAREHOLDERS AND OVERSEAS OPTIONHOLDERS**" in Appendix I to this Composite Document.

All documents and remittances to be sent to the Independent Shareholders and the Optionholders will be sent to them by ordinary post at their own risk. Such documents and remittances will be sent to the Independent Shareholders and Optionholders at their respective addresses as they appear in the register of members of the Company or in the case of joint Shareholders, to such Shareholder whose name appears first in the register of members of the Company. None of the members of the Offeror, Mr. Cheng, Ms. Tai, the parties acting in concert with any of them, the Company, Jin Yi Financial, the Registrar or any of their respective ultimate beneficial owners, directors, officers, agents or associates or any other persons involved in the Offers 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 or in connection therewith.

WARNING

Independent Shareholders, Optionholders, and potential investors are advised to exercise caution when dealing in the shares of the Company. Persons 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.

ADDITIONAL INFORMATION

Your attention is drawn to the "Letter from the Board" and the "Letter from the Independent Board Committee" as set out in this Composite Document, the accompanying Forms of Acceptance and the additional information set out in the appendices to, which form part of, this Composite Document and to consult your professional advisers, before deciding whether or not to accept the Offers.

Yours faithfully
For and on behalf of
Jin Yi Financial Group Limited


WAN Ngai Yin, David
Managing Director