

# THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Janco Holdings Limited, you should at once hand this Composite Document and the accompanying Forms of Acceptance to the purchaser(s) or transferee(s) or to the bank or 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).

This Composite Document should be read in conjunction with the accompanying Forms of Acceptance, the contents of which form part of the terms of the Offers contained herein.

The Stock Exchange of Hong Kong Limited and Hong Kong Exchanges and Clearing Limited take no responsibility for the contents of this Composite Document and the accompanying Forms 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 Forms of Acceptance.



**Pacific Crouch Limited**  
(Incorporated in BVI with limited liability)

**Janco Holdings Limited**  
**駿高控股有限公司**  
(Incorporated in the Cayman Islands with limited liability)  
(Stock Code: 8035)

## COMPOSITE OFFERS AND RESPONSE DOCUMENT IN RELATION TO 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

Offer Agent to the Offeror



Joint Financial Advisers to the Offeror



**元庫證券有限公司**  
SILVERBRICKS SECURITIES CO., LTD.



**ZTSC 中泰國際**

Independent Financial Adviser to the Independent Board Committee



Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this Composite Document.

A letter from the Jin Yi Financial containing, among other things, details of the terms of the Offers is set out on pages 9 to 19 of this Composite Document. A letter from the Board is set out on pages 20 to 28 of this Composite Document.

A letter from the Independent Board Committee containing its recommendation in respect of the Offers is set out on pages 29 to 30 of this Composite Document.

A letter of advice from the Independent Financial Adviser to the Independent Board Committee in respect of the terms of the Offers and as to the acceptance of the Offers is set out on pages 31 to 68 of this Composite Document.

The procedures for acceptance and settlement of the Offers and other related information are set out in Appendix I "Further Terms and Procedures for Acceptance of the Offers" to this Composite Document and in the accompanying Forms of Acceptance. Acceptance of the Share Offer should be received by the Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:00 p.m. on Friday, 8 August 2025 or such later time and/or date as the Offeror may determine and announce, in accordance with the requirements under the Takeovers Code.

Acceptances of the Option Offer must be received by the Offeror at Office Nos. 1402-1403, 14/F, Tower 2, Admiralty Centre, No 18 Harcourt Road, Hong Kong by no later than 4:00 p.m. on Friday, 8 August 2025, or such later time and/or date as the Offeror may determine and announce with the consent of the Executive and in accordance with the Takeovers Code.

Shareholders should inform themselves of and observe any applicable legal, tax or regulatory requirements set out in the "Important Notices" section of this Composite Document. Persons including, without limitation, custodians, nominees and trustees, who would, or otherwise intend to, forward this Composite Document and/or the accompanying Forms of Acceptance to any jurisdiction outside Hong Kong, should read the details in this regard which are contained in the paragraph headed "Overseas Independent Shareholders and Overseas Optionholders" in the "Letter from Jin Yi Financial" in this Composite Document before taking any action. It is the responsibility of each Overseas Independent Shareholder and Overseas Optionholder wishing to accept the Offers 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 and the compliance with all necessary formalities, regulatory and/or legal requirements. Overseas Independent Shareholders and Overseas Optionholders are advised to seek professional advice on deciding whether or not to accept the Offers.

This Composite Document will remain on the websites of the Stock Exchange at <http://www.hkexnews.hk> and the Company at [www.jancofreight.com](http://www.jancofreight.com) as long as the Offers remains open.

In case of any inconsistency, the English language texts of this Composite Document and the enclosed Forms of Acceptance shall prevail over their respective Chinese texts for the purpose of interpretation.

18 July 2025

## **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 expected timetable set out below is indicative only and may be subject to change. Further announcement(s) will be jointly made by the Company and the Offeror in the event of any changes to the timetable as and when appropriate.*

Despatch date of this Composite Document and  
the accompanying Forms of Acceptance and  
commencement date of the Offers (*Note 1*)..... Friday, 18 July 2025

Latest time and date for acceptance of the Offers (*Notes 2 and 4*)..... by 4:00 p.m.  
on Friday, 8 August 2025

Closing Date (*Notes 2 and 4*) ..... Friday, 8 August 2025

Announcement of the results of the Offers,  
to be posted on the website  
of the Stock Exchange (*Note 2*) ..... by 7:00 p.m.  
on Friday, 8 August 2025

Latest date for posting of remittances for the amount due  
in respect of valid acceptances received under  
the Offers (*Notes 3 and 4*) ..... Tuesday, 19 August 2025

### *Notes:*

1. The Offers, which are unconditional in all respects, 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. Beneficial owners of 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 for causing instructions to be made to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures.
2. In accordance with the Takeovers Code, the Offers must remain opened for acceptance for at least 21 days following the date on which this Composite Document is posted. The latest time and date for acceptance of the Offers will be 4:00 p.m. on Friday, 8 August 2025 unless the Offeror revises or extends the Offers in accordance with the Takeovers Code. The Offeror and the Company will jointly issue an announcement through the website of the Stock Exchange by no later than 7:00 p.m. on Friday, 8 August 2025 stating whether the Offers have been revised, extended or expired. In the event that the Offeror decides to revise or extend the Offers, at least 14 days' notice by way of an announcement will be given before the Offers are closed to those Independent Shareholders and Optionholders who have not accepted the Offers.
3. Remittances in respect of the cash consideration (after deducting the seller's ad valorem stamp duty (if any)) payable for the Offer Shares and Share Options tendered under the Offers will be despatched to the Independent Shareholders and Optionholder accepting the Offers by ordinary post at their own risk as soon as possible, but in any event no later than 7 Business Days (as defined in the Takeovers Code) after 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. Acceptance of the Offers shall be irrevocable and not capable of being withdrawn, except as otherwise permitted under the Takeovers Code. Please refer to paragraph headed "6. RIGHT OF WITHDRAWAL" in Appendix I to this Composite Document for further information on the circumstances where acceptances may be withdrawn.

## EXPECTED TIMETABLE

4. If there is a tropical cyclone warning signal number 8 or above or “Extreme Conditions” or a “black rainstorm warning signal” as issued by the Hong Kong Observatory and/or the Government of Hong Kong (collectively, “**severe weather conditions**”) on any of the following deadlines (“**Key Deadlines**”): (a) the Closing Date and the latest time for acceptance of the Offers and the submission and publication deadline for a closing announcement under Rule 19.1 of the Takeovers Code; and (b) the latest date for posting of remittances for the amounts due under the Offers in respect of valid acceptances,
- (a) in case any severe weather condition is in force in Hong Kong at any local time before 12:00 noon but no longer in force at 12:00 noon and/or thereafter on any Key Deadline, such Key Deadline will remain on the same Business Day; or
  - (b) in case any severe weather condition is in force in Hong Kong at any local time at 12:00 noon and/or thereafter on any Key Deadline, such Key Deadline will be rescheduled to the following Business Day which does not have any of those warnings or conditions in force in Hong Kong at any time at 12:00 noon and/or thereafter or such other day as the Executive may approve in accordance with the Takeovers Code.

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

**All references to date and time contained in this Composite Document and the accompanying Forms of Acceptance refer to Hong Kong date and time.**

## **IMPORTANT NOTICE**

### **NOTICE TO OVERSEAS INDEPENDENT SHAREHOLDERS AND OVERSEAS OPTIONHOLDERS**

The making of the Offers to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or affected by the laws of the relevant jurisdictions. Overseas Independent Shareholders and Overseas Optionholders should inform themselves about and observe any applicable legal requirements and, where necessary, seek independent legal advice. It is the responsibility of any such person who wishes to accept the Offers to satisfy himself/herself/itself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required or the compliance with other necessary formalities or legal requirements and the payment of any transfer or other taxes or other required payments due in respect of such jurisdiction.

The Offeror, Mr. Cheng, Ms. Tai and/or the parties acting in concert with any of them, the Company, Silverbricks Securities, Zhongtai International, Jin Yi Financial, the Independent Financial Adviser, the Registrar, the company secretary of the Company or any of their respective ultimate beneficial owners, directors, officers, agents, advisers and associates and any other person involved in the Offers shall be entitled to be fully indemnified and held harmless by the Overseas Independent Shareholders and Overseas Optionholders for any taxes or duties as such persons may be required to pay. Please see the paragraph headed “Overseas Independent Shareholders and Overseas Optionholders” in the “Letter from Jin Yi Financial” in this Composite Document.

### **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 Offeror 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.

## DEFINITION

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

“acting in concert” or “concert parties”	has the meaning ascribed to it under the Takeovers Code
“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”	8 August 2025, being the closing date of the Offers or any subsequent closing date as may be announced by the Offeror in accordance with the Takeovers Code
“Company”	Janco Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose ordinary shares are listed on GEM of the Stock Exchange (stock code: 8035)
“Composite Document”	the composite offer and response document jointly issued by the Offeror and the Company to the Independent Shareholders and Optionholders in connection with the Offers in compliance with the Takeovers Code containing, among other things, details of the Offers (accompanied by the Forms of Acceptance and transfer) and the respective letters of advice from the Independent Board Committee and the Independent Financial Adviser
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“Encumbrance(s)”	any mortgage, charge (whether fixed or floating), debenture, pledge, lien, option, right of first refusal, ownership, retention right, equitable interests, third-party right or interest, other security interest of any kind, or obligation which may give rise to any of the above encumbrances (including any conditional obligations)

## DEFINITION

“Executive”	the Executive Director of the Corporate Finance Division of the SFC from time to time and any delegate of such Executive Director
“Extreme Conditions”	extreme conditions caused by a super typhoon as announced by the Government of Hong Kong
“Forms of Acceptance”	the <b>WHITE</b> Form of Share Offer Acceptance, and the <b>YELLOW</b> Form of Option Offer Acceptance (as the context may require) in respect of the Offers accompanying this Composite Document
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company together with its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Hong Kong Financial Reporting Standards”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Independent Board Committee”	the independent board committee of the Board, comprising all of the non-executive Directors (except Mr. Liang), formed to advise the Independent Shareholders and the Optionholders in respect of the Offers
“Independent Financial Adviser” or “Dakin Capital”	Dakin Capital Limited, a licensed corporation regulated by the SFC to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser to advise the Independent Board Committee, the Independent Shareholders and the Optionholders as to whether the Offers are, or are not, fair and reasonable, and as to the acceptance of the Offers
“Independent Shareholder(s)” or “Offer Shareholder(s)”	all Shareholders other than the Offeror, Mr. Cheng, Ms. Tai, and parties acting in concert with any of them



## DEFINITION

“Jin Yi Financial”	Jin Yi Financial Group Limited, a corporation licensed by the SFC to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 9 (asset management) regulated activities under the SFO, being the agent making the Offers for and on behalf of the Offeror
“Joint Announcement”	the announcement dated 13 June 2025 jointly issued by the Company and the Offeror in relation to the Offers
“Joint Financial Advisers”	Silverbricks Securities and Zhongtai International, the joint financial advisers to the Offeror
“Last Trading Day”	22 April 2025, being the last trading day immediately prior to the date of the Joint Announcement
“Latest Practicable Date”	16 July 2025, being the latest practicable date prior to the printing of this Composite Document for ascertaining certain information contained herein
“Mr. Chan”	Mr. Chan Chun Shing Otto, one of the sellers involved in the Purchase
“Mr. Cheng”	Mr. Cheng Hon Yat, a director and the sole ultimate beneficial shareholder of the Offeror as at the Latest Practicable Date
“Mr. Liang”	Mr. Liang Yuxi, a non-executive Director of the Company as at the Latest Practicable Date and one of the sellers involved in the Purchase
“Ms. Tai”	Ms. Tai Choi Wan Noel, a director of the Offeror and the spouse of Mr. Cheng
“Offer Period”	has the meaning ascribed to it in the Takeovers Code, being the period commencing from the date of publication of the Joint Announcement, i.e. 13 June 2025 and ending on the date of the close of the Offers, or such other time or date to which the Offeror may decide to extend the Offers in accordance with the Takeovers Code
“Offer Shares”	all the Shares in issue, other than those Shares already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it
“Offeror”	Pacific Crouch Limited, a company incorporated in BVI with limited liability

<b>DEFINITION</b>
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“Offers”	the Share Offer and the Option Offer
“Option Offer”	the unconditional mandatory cash offer made by Jin Yi Financial on behalf of the Offeror in accordance with the Takeovers Code to cancel the Share Options in accordance with the Takeovers Code
“Option Offer Price”	the price at which the Option Offer is made, being HK\$0.01 per Share Option
“Optionholder(s)”	holder(s) of the Share Options from time to time
“Overseas Independent Shareholder(s)”	the Independent Shareholder(s) whose addresses, as shown on the register of members of the Company, is/are outside Hong Kong
“Overseas Optionholder(s)”	Optionholder(s) whose address(es) is/are outside Hong Kong as shown on the register of Optionholders of the Company
“PRC” or “China”	the People’s Republic of China excluding, for the purpose of this Composite Document, Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Purchase”	the purchase of an aggregate of 152,994,000 Shares at HK\$0.05 per Share by the Offeror from open market on 22 April 2025
“Registrar”	Tricor Investor Services Limited, the Hong Kong share registrar of the Company
“Relevant Date”	13 June 2025, being the date of the Joint Announcement
“Relevant Period”	the period commencing on the date falling six months preceding the date of commencement of the Offer Period (being 13 December 2024), and ending on and including the Latest Practicable Date
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholders”	holders of the Shares

## DEFINITION

“Share Offer”	the unconditional mandatory cash offer made by Jin Yi Financial on behalf of the Offeror in accordance with the Takeovers Code to acquire all issued Shares (other than those already owned and/or agreed to be acquired by the Offeror and the parties acting in concert with it) in accordance with the Takeovers Code
“Share Offer Price”	the price at which the Share Offer is made, being HK\$0.06 per Offer Share
“Share Option(s)”	the outstanding share option(s) granted by the Company under the share option scheme of the Company adopted on 23 September 2016
“Shares”	the ordinary shares of nominal value of HK\$0.01 each in the share capital of the Company
“Silverbricks Securities”	Silverbricks Securities Company Limited, a corporation licensed by the SFC to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts) and Type 6 (advising on corporate finance) regulated activities under the SFO, being one of the Joint Financial Advisers to the Offeror
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Takeovers Code”	The Code on Takeovers and Mergers issued by the SFC
“WHITE Form of Share Offer Acceptance”	the WHITE form of acceptance and transfer of the Offer Shares in respect of the Share Offer accompanying this Offer Document
“YELLOW Form of Option Offer Acceptance”	the YELLOW form of acceptance and cancellation of the Share Options in respect of the Option Offer accompanying this Offer Document
“Zhongtai International”	Zhongtai International Capital Limited, a corporation licensed by the SFC to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being one of the Joint Financial Advisers to the Offeror
“%”	per cent.

## LETTER FROM JIN YI FINANCIAL



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.

## LETTER FROM JIN YI FINANCIAL

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**

## LETTER FROM JIN YI FINANCIAL

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.

## LETTER FROM JIN YI FINANCIAL

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.

## LETTER FROM JIN YI FINANCIAL

### 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.



## LETTER FROM JIN YI FINANCIAL

### **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.

## LETTER FROM JIN YI FINANCIAL

### **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.

## LETTER FROM JIN YI FINANCIAL

### 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.

## LETTER FROM JIN YI FINANCIAL

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.

## LETTER FROM JIN YI FINANCIAL

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.

## LETTER FROM JIN YI FINANCIAL

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 Ngar Yin, David**  
*Managing Director*

LETTER FROM THE BOARD



**Janco Holdings Limited**

**駿高控股有限公司**

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

**(Stock Code: 8035)**

*Executive Directors:*

Mr. Chan Kwok Wai  
Mr. Lai Chung Wing  
Mr. Lo Wai Wah

*Non-executive Directors:*

Mr. Tam Tsz Yeung Alan  
Mr. Liang Yuxi

*Independent non-executive Directors:*

Ms. Chik Wai Chun  
Mr. Moy Yee Wo Matthew  
Mr. Yu Kwok Fai

*Registered office in Cayman Islands:*

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

*Principal place of business in Hong Kong:*

Unit 1608, 16th Floor  
Tower A, Manulife Financial Centre  
No. 223 Wai Yip Street  
Kwun Tong, Kowloon  
Hong Kong

18 July 2025

*To the Independent Shareholders and the 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.



## LETTER FROM THE BOARD

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. As such, Mr. Liang is 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 set out in the Composite Document issued in accordance with the Takeovers Code.

The purpose of this Composite Document (of which this letter forms part) is to provide you with, among other things, (i) further information relating to the Group, the Offeror and the Offers; (ii) the Letter from Jin Yi Financial containing details of the Offers; (iii) the letter from the Independent Board Committee containing its recommendations in respect of the Offers; and



## LETTER FROM THE BOARD

(iv) the letter from the Independent Financial Adviser containing its advice to the Independent Board Committee, the Independent Shareholders and the Optionholders in respect of the terms of the Offers and as to the acceptance of the Offers.

### INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Under Rule 2.1 of the Takeovers Code, a board which receives the Offers or is approached with a view to the Offers being made, must, in the interests of shareholders, establish an independent committee of the board to make a recommendation: (i) as to whether the Offers is, or is not, fair and reasonable; and (ii) as to acceptance.

An Independent Board Committee comprising all the non-executive Directors (except for Mr. Liang who is one of the sellers of the Purchase) who have no direct or indirect interest in the Offers, namely Mr. Tam Tsz Yeung Alan, Ms. Chik Wai Chun, Mr. Moy Yee Wo Matthew and Mr. Yu Kwok Fai, has been established in accordance with Rule 2.1 and 2.8 of the Takeovers Code to make a recommendation to the Independent Shareholders and Optionholders in respect of the Offers as to whether the Offers are fair and reasonable and as to acceptance of the Offers.

Dakin Capital has been appointed as the Independent Financial Adviser with the approval of the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code to advise the Independent Board Committee in respect of the Offers and, in particular, as to whether the Offers are fair and reasonable and as to the acceptance of the Offers. The advice of the Independent Financial Adviser and the recommendations of the Independent Board Committee are included in the Composite Document despatched to the Independent Shareholders and Optionholders.

The full texts of the letter from the Independent Board Committee addressed to the Independent Shareholders and the Optionholders and the letter from the Independent Financial Adviser addressed to the Independent Board Committee, the Independent Shareholders and the Optionholders are set out in this Composite Document.

**You are advised to read both letters and the additional information contained in the appendices to this Composite Document carefully before taking any action in respect of the Offers.**

### THE OFFERS

#### Principal terms of the Offers

As disclosed in the “Letter from Jin Yi Financial”, Jin Yi Financial is making the Offers for and on behalf of the Offeror in compliance with the Takeovers Code on the following basis:

#### The Share Offer

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

## LETTER FROM THE BOARD

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 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.

## **LETTER FROM THE BOARD**

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.

Further details of the Offers are set out in the “Letter from Jin Yi Financial” and the additional information contained in appendices to this Composite Document and the accompanying Forms of Acceptance.

### **The Offer Price**

Please see the paragraphs headed “Comparison of value” and “Highest and lowest Share price” in the “Letter from Jin Yi Financial” for details of the Offer Price.

### **Total value of the Offers**

Please see the paragraphs headed “Total value of the Offers” in the “Letter from Jin Yi Financial” for details of the Offer Price.

### **Further details of the Offers**

Further details of the Offers, including, among other things, its extension to the Overseas Independent Shareholders and Overseas Optionholders, information on taxation, the terms and conditions and the procedures for acceptance and settlement and acceptance period can be found in the “Letter from Jin Yi Financial” and “Appendix I — Further Terms and Procedures for Acceptance of the Offers” to this Composite Document and the accompanying Forms of Acceptance.

## **INFORMATION ON THE GROUP**

The Company is incorporated in the Cayman Islands with limited liability and the Shares are listed on the GEM of the Stock Exchange. The Company is principally engaged in investment holding and the Group is principally involves freight forwarding, logistics and warehousing and E-commerce business.

Financial and general information in relation to the Group are set out in “Appendix II — Financial Information of the Group” and “Appendix III — General Information of The Group” to this Composite Document.

# LETTER FROM THE BOARD

## SHAREHOLDING STRUCTURE OF THE COMPANY

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 capital of the Company).

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.

The shareholding structure of the Company (i) immediately before the Purchase and (ii) immediately after the Purchase and as at the Latest Practicable Date are as follows:

	Immediately before the Purchase		Immediately after the Purchase and as at the Latest Practicable Date	
<i>Shareholders</i>	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
<b>Offeror and parties acting in concert with it</b>				
— Million Venture Holdings Limited <sup>(Note 1)</sup>	170,300,000	28.38	170,300,000	28.38
— Mr. Cheng	3,160,000	0.53	3,160,000	0.53
— Offeror <sup>(Note 2)</sup>	—	—	152,994,000	25.50
<b>Sub-total</b>	<b><u>173,460,000</u></b>	<b><u>28.91</u></b>	<b><u>326,454,000</u></b>	<b><u>54.41</u></b>
<b>Directors of the Company</b>				
— Mr. Liang <sup>(Note 3)</sup>	2,500,000	0.42	—	—
— Mr. Lo Wai Wah <sup>(Note 3)</sup>	2,150,000	0.36	2,150,000	0.36
<b>Sub-total</b>	<b><u>4,650,000</u></b>	<b><u>0.78</u></b>	<b><u>2,150,000</u></b>	<b><u>0.36</u></b>
<b>Substantial Shareholder</b>				
— Mr. Chan	<u>60,000,000</u>	<u>10.00</u>	<u>—</u>	<u>—</u>
<b>Public Shareholders</b>	<b><u>361,890,000</u></b>	<b><u>60.31</u></b>	<b><u>271,396,000</u></b>	<b><u>45.23</u></b>
<b>Total</b>	<b><u>600,000,000</u></b>	<b><u>100.00</u></b>	<b><u>600,000,000</u></b>	<b><u>100.00</u></b>

## LETTER FROM THE BOARD

### *Notes:*

- (1) Million Venture Holdings Limited is wholly-owned by Ms. Tai. Ms. Tai is a director of the Offeror and the spouse of Mr. Cheng.
- (2) The Offeror is wholly-owned by Mr. Cheng.
- (3) As at the Latest Practicable Date, 1,500,000 Share Options have been granted to Mr. Lo Wai Wah, an executive Director.

Immediately after the Purchase and as at the Latest Practicable Date, save as disclosed above, none of the Directors and parties acting in concert with any of them holds any Shares and any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

### **INFORMATION ON THE OFFEROR**

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

### **INTENTIONS OF THE OFFEROR REGARDING THE GROUP**

Your attention is drawn to the section headed “Intentions of the Offeror regarding the Group” in the “Letter from Jin Yi Financial” to this Composite Document. The Board is aware that the Offeror has no intention to discontinue the employment of any employees of the Group (who are not Directors of the Company). The Board is aware that the Offeror also intends to continue the existing principal business of the Group. The Board is also aware that the Offeror intends to 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. 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. However, as at the Latest Practicable Date, no such investment or business opportunities has been identified nor has the Offeror or any party acting in concert with it entered into any agreement, arrangements, understandings or negotiation in relation to the injection of any assets or business into the Group. The Board is willing to cooperate with the Offeror and act in the best interests of the Company and its Shareholders as a whole.

### **TAXATION ADVICE**

Your attention is drawn to the paragraph headed “Taxation advice” in the “Letter from Jin Yi Financial” to this Composite Document.

Independent Shareholders and Optionholders are recommended to consult their own professional advisers as to the tax implications that may arise from accepting or rejecting the Offers.

## **LETTER FROM THE BOARD**

### **PROPOSED CHANGE OF BOARD COMPOSITION OF THE COMPANY**

Your attention is drawn to the section headed “Proposed change of Board composition” in the “Letter from Jin Yi Financial” to this Composite Document. The Board is aware that the Offeror has not yet determined the composition of the Board. Any changes to the Board will be made in compliance with the Takeovers Code and the GEM Listing Rules and further announcement will be made as and when appropriate.

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

As mentioned in the paragraph headed “PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY” in the “Letter from Jin Yi Financial” of this Composite Document, the Offeror has no intention to privatize the Company and intends to maintain the listing of the Shares on the Stock Exchange following 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 at all times 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 until the prescribed level of public float is restored.

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 directors of the Offeror and any new Director(s) to be proposed by the Offeror will jointly and severally undertake to the Stock Exchange to take appropriate steps following the close of the Offers to ensure that such number of Shares as may be required by the Stock Exchange are held by the public within the prescribed time frame.

### **RECOMMENDATION**

None of the members of the Independent Board Committee is interested in or involved in the Offers.

Your attention is drawn to the “Letter from the Independent Board Committee” set out in this Composite Document which contains the recommendation of the Independent Board Committee in respect of the Offers. Your attention is also drawn to the “Letter from Independent Financial Adviser” set out in this Composite Document, which contains its advice to the Independent Board Committee, the Independent Shareholders and the Optionholders in respect of the terms of the Offers and as to the acceptance of the Offers.

## 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 — “Further Terms and Procedures for Acceptance of the Offers” to this Composite Document and the accompanying Forms of Acceptance for further details in respect of the procedures for acceptance of the Offers.

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

By order of the Board of  
**Janco Holdings Limited**  
**Tam Tsz Yeung Alan**  
*Chairman & Non-executive Director*



**Janco Holdings Limited**

**駿高控股有限公司**

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

**(Stock Code: 8035)**

18 July 2025

*To the Independent Shareholders and the 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**

We refer to the composite offers and response document dated 18 July 2025 issued jointly by the Offeror and the Company (the “**Composite Document**”), of which this letter forms part. Unless the context requires otherwise, capitalised terms used in this letter shall have the same meanings as those defined in this Composite Document.

We have been appointed by the Board to form the Independent Board Committee to consider the terms of the Offers and to make a recommendation to you as to whether, in our opinion, the terms of the Offers are fair and reasonable so far as the Independent Shareholders and the Optionholders are concerned, and as to acceptance thereof.

Dakin Capital has been appointed, with our approval, as the Independent Financial Adviser to advise us in respect of the fairness and reasonableness of the Offers and as to the acceptance of the Offers. Your attention is drawn to the “Letter from the Independent Financial Adviser” set out on pages 31 to 68 of this Composite Document which contains the details of its advice and the principal factors and reasons taken into consideration in arriving at its recommendation in respect of the Offers.



## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

We also wish to draw your attention to the “Letter from Jin Yi Financial” set out on pages 9 to 19 of this Composite Document which contains, inter alia, information about the Offers, the “Letter from the Board” set out on pages 20 to 28 of this Composite Document and the additional information set out in this Composite Document, including the appendices to this Composite Document and the accompanying Forms of Acceptance in respect of the terms of the Offers and acceptance and settlement procedures for the Offers.

### RECOMMENDATION

Taking into account the terms of the Offers and the independent advice from the Independent Financial Adviser, and the principal factors and reasons taken into account in arriving at its recommendation, we consider that the terms of the Offers are fair and reasonable so far as the Independent Shareholders and the Optionholders are concerned. Accordingly, we recommend the Independent Shareholders and the Optionholders to accept the Offers.

The Independent Shareholders and the Optionholders who wish to realise part or all their investments in the Company are reminded to monitor the trading price and liquidity of the Shares during the Offer Period and should, having regard to their own circumstances, consider selling their Shares in the open market or exercising the Share Options instead of accepting the Share Offer or the Option Offer, respectively, if the net proceeds obtained from such disposal of the Shares (after deducting all transaction costs) would be higher than the net proceeds from accepting the Share Offer and the Option Offer.

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

Yours faithfully,  
The Independent Board Committee  
**Janco Holdings Limited**

**Mr. Tam Tsz Yeung Alan**  
*Non-executive Director*

**Ms. Chik Wai Chun**  
*Independent*  
*non-executive Director*

**Mr. Moy Yee Wo Matthew**  
*Independent*  
*non-executive Director*

**Mr. Yu Kwok Fai**  
*Independent*  
*non-executive Director*

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

*Set out below is the text of a letter received from Dakin Capital Limited, the independent financial adviser to the Independent Board Committee, the Independent Shareholders and the Optionholders in respect of the Offers prepared for the purpose of inclusion in the Composite Document.*



18 July 2025

*To: the Independent Board Committee, the Independent Shareholders  
and the Optionholders of Janco Holdings Limited*

Dear Sirs,

**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

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee, the Independent Shareholders and the Optionholders in respect of the Offers, details of which are set out in the Composite Document jointly issued by the Offeror and the Company to the Independent Shareholders and the Optionholders dated 18 July 2025, of which this letter forms part. Unless otherwise stated, capitalised terms used in this letter shall have the same meanings as defined in the Composite Document.

On 22 April 2025, 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

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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 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 Shares. 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.

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 is 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 set out in the Composite Document 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 issued Shares).

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 the section headed “Appendix I Further terms and procedures for acceptance of the Offers” in the Composite Document and the accompanying the Forms of Acceptance.

## **LETTER FROM THE INDEPENDENT FINANCIAL ADVISER**

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 are made, i.e. the date of despatch of the Composite Document.

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 (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.

### **INDEPENDENT BOARD COMMITTEE**

The Independent Board Committee, comprising all the four non-executive Directors, namely Mr. Tam Tsz Yeung Alan, Ms. Chik Wai Chun, Mr. Moy Yee Wo Matthew and Mr. Yu Kwok Fai, has been formed in accordance with the Takeovers Code to advise the Independent Shareholders and the Optionholders on whether the Offers are fair and reasonable, and give recommendation as to acceptance of the Offers. Mr. Liang Yuxi, a non-executive Director, is one of the sellers of the Purchase, and he is therefore not considered independent to be a member of the Independent Board Committee and has declared his interest to the Board accordingly.

### **OUR INDEPENDENCE**

We, Dakin Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee, the Independent Shareholders and the Optionholders in this regard. Our appointment as the Independent Financial Adviser has been approved by the Independent Board Committee. During the past two years immediately preceding the date of the Joint Announcement and including and up to the Latest Practicable Date, we did not act as financial adviser or independent financial adviser to the other transactions of the Company and the Offeror. Save for the appointment as the Independent Financial Adviser in respect of the Offers, there were no other engagements between the Company and us during the past two years immediately preceding the date of the Joint Announcement and including and up to the Latest Practicable Date. We are independent from, and are not associated with the Company, the Offeror, or any party acting, or presumed to be acting, in concert with any of the above, or any company controlled by any of them. Apart from normal professional fees payable to us in connection with this appointment as the Independent Financial Adviser to the Independent Board Committee, the Independent Shareholders and the Optionholders, no other arrangements exist whereby we will receive any fees and/or benefits from the abovementioned parties or any party acting, or presumed to be acting, in concert with any of them, any of their respective associates, close associates or core connected persons or other parties that could be regarded as

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

relevant to our independence. Accordingly, we are considered eligible to give independent advice in respect of the Offers to the Independent Board Committee, the Independent Shareholders and the Optionholders in accordance with the Takeovers Code.

### **BASIS OF OUR OPINION**

In formulating our opinion to the Independent Board Committee, the Independent Shareholders and the Optionholders, we have relied on the accuracy of the statements, information, opinions and representations contained or referred to in the Composite Document and the information and representations provided to us by the Directors, the directors of the Offeror and the management of the Company. We have assumed that all statements, information and representations provided by the Directors, the directors of the Offeror and the management of the Company, 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. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors, the directors of the Offeror and the management of the Company in the 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 Directors, the directors of the Offeror and the management of the Company and/or its advisers, which have been provided to us. The Company will notify the Independent Shareholders and the Optionholders of any material change to information contained in or referred to in the Composite Document as soon as possible in accordance with Rule 9.1 of the Takeovers Code. The Independent Shareholders and the Optionholders will also be informed as soon as possible when there is any material change to information contained in or referred to herein as well as any changes to our opinion, if any, throughout the Offer Period.

Your attention is drawn to the responsibility statements as set out in the paragraph headed “1. Responsibility statement” under the section headed “Appendix III General information of the Group” in the Composite Document. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Composite Document, save and except for this letter of advice.

We consider that we have been provided with sufficient information and have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion. 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 Group. We have not considered the taxation implication on the Group or the Shareholders as a result of the Offers. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Where information in this letter has been extracted from published or otherwise publicly available sources, the sole responsibility of us is to ensure that such information has been correctly and fairly extracted, reproduced or presented from the relevant stated sources and not be used out of context.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

### PRINCIPAL TERMS OF THE OFFERS

#### 1. The Share Offer

Jin Yi Financial is making the Share Offer for and on behalf of the Offeror which is unconditional in all respect in compliance with the Takeovers Code on the following terms:

**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.

As at the Latest Practicable Date, the Company confirms that (i) it has not declared any dividend which is outstanding and not yet paid and (ii) it does not have any intention to recommend, make, declare or pay any future dividend or make other distributions before the close of the Offers.

#### 2. The Option Offer

Jin Yi Financial is making the Option Offer for and on behalf of the Offeror to cancel all the outstanding Share Options at appropriate price in compliance with Rule 13 of the Takeovers Code on the following terms:

**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.

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.



## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

### 3. Value and total consideration of the Offers

Based on (i) the Share Offer Price of HK\$0.06 per 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: (1) the value of the Share Offer of HK\$16,412,760; and (2) 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 (1) the value of the Share Offer of HK\$16,592,760; and (2) no amount to be payable by the Offeror under the Option Offer.

### 4. Confirmation of financial resources available for the Offers

The Offeror intends to 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.

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

In assessing the Offers and in giving our advice to the Independent Board Committee, the Independent Shareholders and the Optionholders, we have taken into consideration the following principal factors and reasons:

### BACKGROUND OF THE OFFEROR AND THE GROUP

#### 1. Background and financial information of the Group

##### *1.1 Background information of the Group*

The Company is incorporated in the Cayman Islands with limited liability and the Shares are listed on the GEM of the Stock Exchange. The Company is principally engaged in investment holding and its subsidiaries are principally engaged in freight forwarding, logistics and warehousing and E-commerce business.

According to the Company's annual report for the year ended 31 December 2024 (the "Annual Report 2024"), the Group's core business is freight forwarding which offers exceptional high quality freight forwarding services. The Group secures cargo space from airlines, shipping liners, general sales agents, and then sells it to either direct shippers or other freight forwarders who act on behalf of their shipper clients. While the majority of

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

the Group's customers are direct shippers, the Group caters for their requirements by exporting their goods from Hong Kong to various global destinations through the Group's air and ocean freight services. The Group has particularly excelled in serving destinations in Asia, including Bangladesh, India, Sri Lanka, and countries along the Mekong River, such as Vietnam.

In addition to the Group's core freight forwarding services, the Group strategically offers ancillary logistics and warehousing services, primarily at the Group's warehouses, to meet the growing demand of the Group's customers for customized value-added logistics solutions. These services include both forward and reverse logistics, and business to business and business to consumer omni channel fulfillment. The Group's ancillary logistics services encompass warehousing, repacking, labeling, palletizing, and local delivery within Hong Kong. By integrating these services with the Group's core freight forwarding offerings, the Group has created a unique corporate identity that resonates with the Group's shipper customers.

For the E-commerce business, the Group have established a cross-border logistics platform to cater to the increasing demand for e-commerce services from the PRC and international clients in the United States, Europe, Canada, and Australia. This venture has grown to include procurement activities, local distribution, and fulfillment services, particularly for pharmaceutical and medical products.

Set out below is the table showing the Group's source of revenue by business segment for the year ended 31 December 2024:

	<b>For the year ended 31 December 2024 (audited)</b>	
	<i>HK\$'000</i>	<i>%</i>
Air freight forwarding	89,559	35.7
Ocean freight forwarding	<u>30,520</u>	<u>12.2</u>
Freight forwarding subtotal	120,079	47.9
Logistics and warehousing	92,711	37.0
E-commerce	<u>37,981</u>	<u>15.1</u>
Total revenue	<u><u>250,771</u></u>	<u><u>100.0</u></u>

### ***1.2 Historical financial performance and position of the Group***

The table below summarises the general financial information of the Group for the financial years ended 31 December 2022, 2023 and 2024 which are extracted from the Company's annual report for the year ended 31 December 2023 (the "**Annual Report 2023**") and the Annual Report 2024.



# LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

## *Summary of the consolidated financial results of the Group*

	<b>For the year ended 31 December 2022 (audited) HK\$'000</b>	<b>For the year ended 31 December 2023 (audited) HK\$'000</b>	<b>For the year ended 31 December 2024 (audited) HK\$'000</b>
Revenue			
Air freight forwarding	120,291	77,559	89,559
Ocean freight forwarding	<u>93,119</u>	<u>23,150</u>	<u>30,520</u>
Freight forwarding subtotal	213,410	100,709	120,079
Logistics and warehousing	158,818	81,542	92,711
E-Commerce	<u>140,444</u>	<u>83,389</u>	<u>37,981</u>
Total revenue	512,672	265,640	250,771
Cost of sales			
Air freight forwarding	(107,625)	(73,792)	(81,033)
Ocean freight forwarding	<u>(78,152)</u>	<u>(21,344)</u>	<u>(27,138)</u>
Freight forwarding subtotal	(185,777)	(95,136)	(108,171)
Logistics and warehousing	(122,000)	(71,068)	(81,577)
E-Commerce	<u>(131,407)</u>	<u>(72,313)</u>	<u>(38,276)</u>
Total cost of sales	(439,184)	(238,517)	(228,024)
Gross profit/(loss)			
Air freight forwarding	12,666	3,767	8,526
Ocean freight forwarding	<u>14,967</u>	<u>1,806</u>	<u>3,382</u>
Freight forwarding subtotal	27,633	5,573	11,908
Logistics and warehousing	36,818	10,474	11,134
E-Commerce	<u>9,037</u>	<u>11,076</u>	<u>(295)</u>
Total gross profit	73,488	27,123	22,747

<b>LETTER FROM THE INDEPENDENT FINANCIAL ADVISER</b>
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	<b>For the year ended 31 December 2022 (audited) HK\$'000</b>	<b>For the year ended 31 December 2023 (audited) HK\$'000</b>	<b>For the year ended 31 December 2024 (audited) HK\$'000</b>
Gross profit/(loss) margin (%)			
Air freight forwarding	10.5%	4.9%	9.5%
Ocean freight forwarding	16.1%	7.8%	11.1%
Freight forwarding	12.9%	5.5%	9.9%
Logistics and warehousing	23.2%	12.8%	12.0%
E-Commerce	6.4%	13.3%	(0.8%)
Total gross profit margin	14.3%	10.2%	9.1%
Other income	7,846	2,908	573
Other gains/(losses), net	1,841	(619)	10
Administrative and selling expenses	(69,216)	(41,189)	(35,813)
(Impairment loss)/Reversal of impairment loss on trade receivables	(1,575)	(1,473)	1,075
Share-based payment expenses	(144)	—	—
Impairment loss on amount due from a joint venture	—	—	(1,641)
Profit/(Loss) from operations	12,240	(13,250)	(13,049)
Finance costs	(5,827)	(5,013)	(4,091)
Share of profit/(loss) of a joint venture	713	(480)	(1,049)
Profit/(Loss) before tax	7,126	(18,743)	(18,189)
Income tax (expense)/credit	(1,783)	230	(185)
Profit/(Loss) for the year	5,343	(18,513)	(18,374)

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

*Financial performance for the year ended 31 December 2022 (“FY2022”) and 31 December 2023 (“FY2023”)*

The Group recorded total revenue of approximately HK\$265.6 million for FY2023, representing a decrease of approximately 48.2% as compared with FY2022 of approximately HK\$512.7 million. Such decrease in the Group’s total revenue was mainly due to the decrease in revenue derived from the Group’s three business segments.

As stated in the Annual Report 2023, revenue from air freight forwarding services decreased by approximately HK\$42.7 million from approximately HK\$120.3 million for FY2022 to approximately HK\$77.6 million for FY2023, representing a decrease of approximately 35.5%. Such decrease in revenue from air freight forwarding services is primarily due to the decrease in freight rates charged to the Group’s customers and air freight tonnage handled by the Group for FY2023. Such decrease in air freight rates charged to the Group’s customers is mainly affected by the slow recovery of global logistics by the COVID-19. The demand for the Group’s air freight forwarding export services to Vietnam and Sri Lanka dropped during FY2023 as compared with FY2022. In order to off-set such drop in demand for air freight forwarding services, the Group explored new customers for air freight forwarding export services to India in a relatively lower air freight rate during FY2023, and thus the decrease in the Group’s air freight rate charged to customers. Revenue from ocean freight forwarding services decreased by approximately HK\$70.0 million from approximately HK\$93.1 million for FY2022 to approximately HK\$23.1 million for FY2023, representing a decrease of approximately 75.1%. Such decrease in revenue from ocean freight forwarding services is due to (i) the recovery of shipment volume affected by the outbreak of COVID-19 pandemic and the expected economic recovery are slower than anticipated; and (ii) the significant decrease in freight rates charged to customers comparing with FY2022. Such decrease in ocean freight rates charged to the Group’s customers is mainly affected by the decrease in demand for the Group’s ocean freight forwarding export services to Bangladesh and Sri Lanka and the excess supply of containers in the market as compared with FY2022, and thus weakened the Group’s ocean freight rate charged to customers. Revenue from logistics and warehousing services decreased by approximately HK\$77.3 million from approximately HK\$158.8 million for FY2022 to approximately HK\$81.5 million for FY2023, representing a decrease of approximately 48.7%. Such decrease in revenue from logistics and warehousing services is mainly due to the completion of the Group’s engagement by the government of Hong Kong to distribute anti-epidemic service bags and electronic wristbands in January 2023. Revenue from e-commerce decreased by approximately HK\$57.0 million from approximately HK\$140.4 million for FY2022 to approximately HK\$83.4 million for FY2023, representing a decrease of approximately 40.6%. Such decrease in revenue from e-commerce was due to the decrease in demand for business-to-consumer orders of this segment.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Group's cost of sales decreased from approximately HK\$439.2 million for FY2022 to approximately HK\$238.5 million for FY2023, representing a decrease of approximately 45.7%. Pursuant to the Annual Report 2023, such decrease in the Group's cost of sales was mainly due to (i) the reduction of direct costs due to decrease in shipment volume and number of orders received in the Group's three business segments; and (ii) the control of temporary workers costs due to the improvement of production efficiency of the Group's warehouse staff.

The Groups' gross profit decreased from approximately HK\$73.5 million for FY2022 to approximately HK\$27.1 million for FY2023, representing a decrease of approximately 63.1%. According to the Annual Report 2023, such decrease in the Group's gross profit was mainly due to the decrease in gross profit derived from the Group's freight forwarding services segment and logistics and warehousing services segment.

According to the Annual Report 2023, gross profit from freight forwarding services decreased by approximately 79.8% from approximately HK\$27.6 million for FY2022 to approximately HK\$5.6 million for FY2023. The decrease in gross profit from freight forwarding services was resulted from (i) the decrease in air freight tonnage and ocean freight shipment volume as the recovery of these shipments volume, which was previously affected by the outbreak of COVID-19 pandemic and economic downturn, was slower than anticipated; (ii) the decrease in freight rates charged to customers; and (iii) the increase in direct costs, including fuels and other forwarding costs. Gross profit from logistics and warehousing services decreased by approximately 71.6% from approximately HK\$36.8 million for FY2022 to approximately HK\$10.5 million for FY2023. The decrease in gross profit from logistics and warehousing services was mainly due to the completion of the Group's engagement to distribute the anti-epidemic service bags and electronic wristbands by the government of Hong Kong in January 2023. Despite the above, the gross profit from e-commerce increased by approximately 22.6% from approximately HK\$9.0 million for FY2022 to approximately HK\$11.1 million for FY2023, which is contributed from the Group's improved customers mix with higher margin and improvement in the Group's rates charged to customers.

The Group's other income decreased by approximately HK\$4.9 million from approximately HK\$7.8 million for FY2022 to approximately HK\$2.9 million for FY2023. As stated in the Annual Report 2023, such decrease in the Group's other income was mainly due to subsidies granted by the government of Hong Kong of approximately HK\$4.2 million under the Employment Support Scheme under the Anti-epidemic Fund for FY2022 was no longer available for FY2023.

The Group recorded the other losses, net of approximately HK\$0.6 million for FY2023 (FY2022: other gains, net of approximately HK\$1.8 million). Pursuant to the Annual Report 2023, net other gains and losses mainly comprised loss on surrender of life insurance policies of approximately HK\$0.9 million and net exchange loss of approximately HK\$0.6 million for FY2023, which outweighs a gain from disposal of right-of-use assets of approximately HK\$0.8 million for FY2023.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Group's administrative and selling expenses decreased by approximately HK\$28.0 million from approximately HK\$69.2 million for FY2022 to approximately HK\$41.2 million for FY2023. As stated in the Annual Report 2023, such decrease in the Group's administrative and selling expenses was primarily due to (i) the decrease in legal and professional fees for FY2023 due to the absence of the professional fees for on-going litigation for FY2023; (ii) the decrease in staff salaries and allowances due to the decrease in the number of employees for FY2023; and (iii) the decrease in overall spending through cost control initiatives. On 21 April 2022, each of Janco Global Logistics Limited ("**JGL**") and Transpeed Hong Kong Limited ("**Transpeed**"), an indirect wholly-owned subsidiary of the Company, received a winding-up petition from FC Bangladesh Limited ("**FCB**") for the alleged debts payable by each of JGL and Transpeed (the "**Alleged Debts**"). On 21 April 2022, each of JGL and Transpeed issued an originating summons for an injunction to prevent FCB from presenting winding-up petitions against each of them. On 3 May 2022, each of JGL and Transpeed issued a writ of summons against FCB to seek declaration that they are not indebted to FCB for the Alleged Debts. On 18 May 2022, FCB and each of JGL and Transpeed entered into consent summons for the withdrawal of the aforesaid petitions. Sealed orders for the withdrawal of the two aforesaid petitions were subsequently granted on 2 June 2022. For detailed information of the litigation, please refer to the Company's announcements dated 22 April 2022, 4 May 2022 and 20 May 2022.

The Group recorded an impairment loss on trade receivables of approximately HK\$1.5 million for FY2023, representing a decrease of approximately 6.5% as compared with FY2022 of approximately HK\$1.6 million. According to the Directors, such decrease in the Group's impairment loss on trade receivables represented less provision of impairment loss on trade receivables.

There were no share-based payment expenses recorded for FY2023 (FY2022: approximately HK\$0.1 million).

The Group recorded loss from operations of approximately HK\$13.3 million for FY2023 (FY2022: profit from operations of approximately HK\$12.2 million). As advised by the Directors, the change from profit from operations to loss from operations was mainly due to (i) the decrease in the Group's revenue and gross profit as analysed above in this paragraph; and (ii) the decrease in the Group's other income as analysed above in this paragraph.

The Group's finance costs mainly comprised of the interest expenses on bank borrowing and overdrafts, other borrowing, loan from a substantial shareholder and lease liabilities. The Group's finance costs decreased from approximately HK\$5.8 million for FY2022 to approximately HK\$5.0 million for FY2023, representing a decrease of approximately 14.0%. According to the Directors, such decrease in the Group's finance costs was mainly attributable to the combined effect of (i) the decrease in interest expenses on bank borrowings and overdrafts from approximately HK\$3.3 million for FY2022 to approximately HK\$2.4 million for FY2023; (ii) the decrease in interest expenses on lease liabilities from approximately HK\$1.9 million

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

for FY2022 to approximately HK\$1.5 million for FY2023; and (iii) the decrease in interest expenses on other borrowings from approximately HK\$0.5 million for FY2022 to approximately HK\$0.1 million for FY2023; and partially offset by the increase in interest expenses on loan from a substantial shareholder from approximately HK\$0.1 million for FY2022 to approximately HK\$0.9 million for FY2023.

The Group's share of loss of a joint venture was approximately HK\$0.5 million for FY2023 (FY2022: share of profit of a joint venture of approximately HK\$0.7 million). As stated in the Annual Report 2023, such share of loss of a joint venture represented the loss on the Group's unlisted overseas investment in Janco E-commerce Solutions (USA) Inc ("JEC USA").

The Group's loss before tax for the year of FY2023 amounted to approximately HK\$18.7 million, as compared to the Group's profit before tax for the year of approximately HK\$7.1 million for FY2022. As advised by the Directors, such change from profit before tax to loss before tax was due to the above mentioned reasons under profit/loss from operations and further affected by the finance costs and share of loss of a joint venture incurred during FY2023.

The Group's income tax credit for FY2023 was approximately HK\$0.2 million (FY2022: income tax expense of approximately HK\$1.8 million). According to the Directors, such change in income tax expense to income tax credit was mainly due to the change from profit before tax to loss before tax as mentioned above.

The Group's loss for the year of FY2023 amounted to approximately HK\$18.5 million, as compared to the Group's profit for the year of approximately HK\$5.3 million for FY2022. As advised by the Directors, such change from profit for the year to loss for the year was due to the above mentioned reason under profit/(loss) before income tax and partially offset by the effect from income tax credit of approximately HK\$0.2 million for FY2023.

*Financial performance for the year ended 31 December 2023 and 31 December 2024 ("FY2024")*

The Group recorded total revenue of approximately HK\$250.8 million for FY2024, representing a decrease of approximately 5.6% as compared with FY2023 of approximately HK\$265.6 million. As advised by the Directors, such decrease in the Group's total revenue was mainly due to the combine effected of the decrease in revenue derived from e-commerce from approximately HK\$83.4 million for FY2023 to approximately HK\$38.0 million for FY2024, representing a decrease of approximately 54.5%; and partially offset by (a) the increase in revenue derived from freight forwarding services from approximately HK\$100.7 million for FY2023 to approximately HK\$120.1 million for FY2024, representing an increase of approximately 19.2%; and (b) the increase in revenue derived from logistics and warehousing services from approximately HK\$81.5 million for FY2023 to approximately HK\$92.7 million for FY2024, representing an increase of approximately 13.7%.



## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As stated in the Annual Report 2024, revenue from the air freight forwarding services increased by approximately HK\$12.0 million from HK\$77.6 million for FY2023 to HK\$89.6 million for FY2024, representing an increase of approximately 15.5%. Such increase in revenue from air freight forwarding services is primarily due to the increase in air freight tonnage handled by the Group for FY2024. Revenue from the ocean freight forwarding services increased by HK\$7.3 million from HK\$23.2 million for FY2023 to HK\$30.5 million for FY2024, representing an increase of approximately 31.8%, since the Group managed to obtain a higher freight rate from certain major customers during FY2024. Revenue from the logistics and warehousing services increased by approximately HK\$11.2 million from HK\$81.5 million for FY2023 to HK\$92.7 million for FY2024, representing an increase of approximately 13.7%. Such increase in revenue from logistics and warehousing services is mainly due to an increase in the number of logistic customers. Revenue from the e-commerce decreased by approximately HK\$45.4 million from approximately HK\$83.4 million for FY2023 to HK\$38.0 million for FY2024, representing a decrease of approximately 54.5%. Such decrease in revenue from e-commerce is mainly due to a reduction in the number of business-to-consumer orders received during FY2024.

The Group's cost of sales decreased from approximately HK\$238.5 million for FY2023 to approximately HK\$228.0 million for FY2024, representing a decrease of approximately 4.4%. According to the Annual Report 2024, such decrease in the Group's cost of sales was mainly due to (i) the reduction of direct costs due to the decrease in shipment volume and number of orders received in the Group's e-commerce segment; and (ii) the control of temporary workers costs due to the improvement of production efficiency of the Group's warehouse staff.

The Groups' gross profit decreased from approximately HK\$27.1 million for FY2023 to approximately HK\$22.7 million for FY2024, representing a decrease of approximately 16.1%. According to the Annual Report 2024, such decrease in the Group's gross profit was mainly due to the gross loss derived from the Group's e-commerce segment.

According to the Annual Report 2024, gross profit from freight forwarding services increased by approximately 113.7% from approximately HK\$5.6 million for FY2023 to approximately HK\$11.9 million for FY2024. The increase in gross profit from freight forwarding services was mainly attributable to (i) the Group managed to obtain from certain major customers a higher freight rate; and (ii) the increase in air freight tonnage handle by the Group. Gross profit from logistics and warehousing services increased by approximately 6.3% from approximately HK\$10.5 million for FY2023 to approximately HK\$11.1 million for FY2024. The increase in gross profit from logistics and warehousing services was mainly due to the Group's focus on attracting and obtaining logistics customers. However, there was a gross loss derived from the Group's e-commerce segment of approximately HK\$0.3 million for FY2024 (FY2023: a gross profit of approximately HK\$11.1 million for FY2023). Such gross loss incurred was mainly due to the reduction in the number of business-to-consumer orders.

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The Group's other income decreased by approximately HK\$2.3 million from approximately HK\$2.9 million for FY2023 to approximately HK\$0.6 million for FY2024. As stated in the Annual Report 2024, such decrease in the Group's other income was mainly due to the surrender of life insurance policies for FY2023.

The Group recorded the other gains, net of approximately HK\$10,000 for FY2024 (FY2023: other losses, net of approximately HK\$0.6 million). Pursuant to the Annual Report 2024, such change from other losses, net to other gains, net was mainly driven by (i) the increase of gain on early termination of leased properties from approximately HK\$18,000 for FY2023 to approximately HK\$0.2 million for FY2024; (ii) the recovery of bad debt of approximately HK\$0.2 million for FY2024 (FY2023: nil); (iii) no loss on surrender of life insurance policies (FY2023: approximately HK\$0.9 million for FY2023); and (iv) the decrease in loss on exchange difference from approximately HK\$0.6 million for FY2023 to approximately HK\$0.3 million for FY2024; and partially offset by the loss on disposal of property, plant and equipment of approximately HK\$0.1 million for FY2024 (FY2023: gain on disposal of property, plant and equipment of approximately HK\$34,000).

The Group's administrative and selling expenses decreased by approximately HK\$5.4 million from approximately HK\$41.2 million for FY2023 to approximately HK\$35.8 million for FY2024. As stated in the Annual Report 2024, such decrease in the Group's administrative and selling expenses was primarily due to (i) the decrease in legal and professional fee for FY2024; (ii) the decrease in the insurance expenses; and (iii) the decrease in other administrative expenses after the implementation of a general cost containment programme.

The Group recorded a reversal of impairment loss on trade receivables of approximately HK\$1.1 million for FY2024 (FY2023: impairment loss on trade receivables of approximately HK\$1.5 million). According to the Directors, such change from impairment loss on trade receivables to reversal of impairment loss on trade receivables represented the recovery of trade receivables during FY2024.

According to the Directors, the impairment loss on amount due from a joint venture of the Group amounted to approximately HK\$1.6 million for FY2024 (FY2023: nil), which represented the provision made on the amount due from JEC USA.

The Group recorded loss from operations of approximately HK\$13.0 million for FY2024 (FY2023: loss from operations of approximately HK\$13.3 million). As advised by the Directors, such slight improvement was mainly attributable to (i) the change from impairment loss on trade receivables of approximately HK\$1.5 million for FY2023 to reversal of impairment loss on trade receivables of approximately HK\$1.1 million for FY2024; and (ii) the change from other losses, net of approximately HK\$0.6 million for FY2023 to other gains, net of approximately HK\$10,000 for FY2024; and partially offset by (a) the decrease in other income



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from approximately HK\$2.9 million for FY2023 to approximately HK\$0.6 million for FY2024; and (b) the impairment loss on amount due from a joint venture of the Group of approximately HK\$1.6 million incurred for FY2024.

The Group's finance costs decreased from approximately HK\$5.0 million for FY2023 to approximately HK\$4.1 million for FY2024, representing a decrease of approximately 18.4%. According to the Directors, such decrease in the Group's finance costs was mainly attributable to (i) the decrease in interest expenses on bank borrowings and overdrafts from approximately HK\$2.4 million for FY2023 to approximately HK\$0.5 million for FY2024; (ii) the decrease in interest expenses on other borrowings from approximately HK\$0.1 million for FY2023 to nil for FY2024; and (iii) the decrease in interest expenses on loan from a substantial shareholder from approximately HK\$0.9 million for FY2023 to approximately HK\$18,000 for FY2024; and partially offset by the increase in interest expenses on lease liabilities from approximately HK\$1.5 million for FY2023 to approximately HK\$3.6 million for FY2024.

The Group's share of loss of a joint venture increased from approximately HK\$0.5 million for FY2023 to approximately HK\$1.0 million for FY2024, representing an increase of approximately 118.5%. According to the Annual Report 2024 and the Directors, such widen in share of loss of a joint venture was mainly caused by the increase in loss for the year in JEC USA from approximately HK\$0.7 million for FY2023 to approximately HK\$4.5 million for FY2024.

The Group's loss before tax decreased from approximately HK\$18.7 million for FY2023 to approximately HK\$18.2 million for FY2024, representing a decrease of approximately 3.0%. As advised by the Directors, such slight improvement was mainly driven by (i) the above mentioned reasons under loss from operations of the Group for FY2024 in this paragraph; and (ii) the decrease in finance costs from approximately HK\$5.0 million for FY2023 to approximately HK\$4.1 million for FY2024; and partially offset by the increase in share of loss of a joint venture from approximately HK\$0.5 million for FY2023 to approximately HK\$1.0 million for FY2024.

The Group's income tax expense for FY2024 was approximately HK\$0.2 million (FY2023: income tax credit of approximately HK\$0.2 million).

The Group's loss for the year decreased from approximately HK\$18.5 million for FY2023 to approximately HK\$18.4 million for FY2024, representing a decrease of approximately 0.8%. As advised by the Directors, such slight improvement was mainly driven by the above mentioned reason under loss before income tax and partially offset by the effect from income tax expense of approximately HK\$0.2 million for FY2024.

# LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

## *Summary of the consolidated financial positions of the Group*

	As at 31 December 2022 (audited) HK\$'000	As at 31 December 2023 (audited) HK\$'000	As at 31 December 2024 (audited) HK\$'000
Property, plant and equipment	9,143	7,580	5,107
Computer software	267	191	228
Deposits placed in life insurance policies	5,352	—	—
Right-of-use assets	46,570	20,989	43,169
Interest in a joint venture	1,529	1,049	—
Deferred tax assets	171	616	616
Goodwill	61	—	—
Rental and other deposits	1,275	5,990	7,474
<b>Non-current assets</b>	<b>64,368</b>	<b>36,415</b>	<b>56,594</b>
Inventories	—	857	—
Trade receivables	125,942	54,778	46,311
Other receivables, deposits and prepayments	17,027	8,392	8,228
Amount due from a joint venture	884	1,665	24
Deposits placed in a life insurance policies	115,037	—	—
Income tax recoverable	—	106	—
Pledged bank deposits	17,446	16,000	17,643
Bank and cash balances	10,131	11,699	13,245
<b>Current assets</b>	<b>286,467</b>	<b>93,497</b>	<b>85,451</b>
<b>Total assets</b>	<b>350,835</b>	<b>129,912</b>	<b>142,045</b>
Lease liabilities	16,103	7,676	20,295
Deferred tax liabilities	633	40	40
<b>Non-current liabilities</b>	<b>16,736</b>	<b>7,716</b>	<b>20,335</b>
Trade payables	55,264	24,923	27,289
Other payables and accruals	31,205	16,687	14,190
Loan from a substantial shareholder	10,000	—	1,500
Amount due to non-controlling interests	656	—	—
Contract liabilities	1,206	—	—
Bank borrowings and overdrafts	113,748	3,000	11,323
Other borrowings	7,070	—	—
Lease liabilities	30,488	13,773	23,205
Income tax payable	2,626	2,566	1,334
<b>Current liabilities</b>	<b>252,263</b>	<b>60,949</b>	<b>78,841</b>
<b>Total liabilities</b>	<b>268,999</b>	<b>68,665</b>	<b>99,176</b>
<b>Net assets</b>	<b>81,836</b>	<b>61,247</b>	<b>42,869</b>

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

### *Financial position as at 31 December 2023*

As at 31 December 2023, the Group's total assets mainly comprised trade receivables of approximately HK\$54.8 million, right-of-use assets of approximately HK\$21.0 million and pledged bank deposits of approximately HK\$16.0 million. The Group's total assets decreased from approximately HK\$350.8 million as at 31 December 2022 to approximately HK\$129.9 million as at 31 December 2023. As advised by the Directors, such decrease in total assets was mainly due to (i) the decrease in deposits placed in life insurance policies from approximately HK\$120.4 million as at 31 December 2022 to nil as at 31 December 2023; (ii) the decrease in trade receivables from approximately HK\$125.9 million as at 31 December 2022 to approximately HK\$54.8 million as at 31 December 2023; (iii) the decrease in right-of-use assets from approximately HK\$46.6 million as at 31 December 2022 to approximately HK\$21.0 million as at 31 December 2023; and (iv) the decrease in other receivables, deposits and prepayments from approximately HK\$17.0 million as at 31 December 2022 to approximately HK\$8.4 million as at 31 December 2023.

Janco Global Logistics Limited, an indirect wholly-owned subsidiary of the Company, (i) placed deposits amounting to USD643,500 in a life insurance policy purchased from Manulife (International) Limited on 28 March 2018 (the “**Life Insurance Subscription A**”); and (ii) placed deposits amounting to HK\$100.0 million in a life insurance policy purchased from China Taiping Life Insurance (Hong Kong) Company Limited on 24 July 2018 (the “**Life Insurance Subscription B**”). Such Life Insurance Subscription A and Life Insurance Subscription B were for the main purpose of obtaining banking facilities from China CITIC Bank International Limited to finance the Group's business. For detailed information of the Life Insurance Subscription A and Life Insurance Subscription B, please refer to the Company's announcement dated 3 January 2020 and Note 17. Deposits placed in life insurance policies under the notes to the consolidated financial statements in the Annual Report 2023. As stated in the Company's announcement dated 14 September 2023 and the Annual Report 2023, the Life Insurance Subscription A and the Life Insurance Subscription B had surrendered during FY2023, comprising the major decrease in the Group's total assets to approximately HK\$129.9 million as at 31 December 2023. Such deposits placed in the Life Insurance Subscription A and the Life Insurance Subscription B of approximately HK\$120.4 million were secured for the bank borrowings and overdrafts of the Group as at 31 December 2022 and was released during FY2023.

As at 31 December 2023, the Group's total liabilities mainly comprised trade payables of approximately HK\$24.9 million, lease liabilities of approximately HK\$21.4 million and other payables and accruals of approximately HK\$16.7 million. The Group's total liabilities decreased from approximately HK\$269.0 million as at 31 December 2022 to approximately HK\$68.7 million as at 31 December 2023. As advised by the Directors, such decrease in total liabilities was mainly due to (i) the decrease in bank borrowings and overdrafts from approximately HK\$113.7 million as at 31 December 2022 to approximately HK\$3.0 million as at 31 December 2023; (ii) the decrease in trade payables from approximately HK\$55.3 million as at 31

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December 2022 to approximately HK\$24.9 million as at 31 December 2023; (iii) the decrease in lease liabilities from approximately HK\$46.6 million as at 31 December 2022 to approximately HK\$21.4 million as at 31 December 2023; (iv) the decrease in other payables and accruals from approximately HK\$31.2 million as at 31 December 2022 to approximately HK\$16.7 million as at 31 December 2023; (v) the decrease in loan from a substantial shareholder from approximately HK\$10.0 million as at 31 December 2022 to nil as at 31 December 2023; and (vi) the decrease in other borrowings from approximately HK\$7.1 million as at 31 December 2022 to nil as at 31 December 2023.

As mentioned above in this paragraph, the Life Insurance Subscription B was subscribed for obtaining banking facilities from China CITIC Bank International Limited. Pursuant to the Company's announcement dated 3 January 2020 and the advice from the Directors, the Life Insurance Subscription B was one of the collaterals for obtaining the total facility limits of the renewed banking facilities amounted to HK\$115.5 million, which included a facility limit of HK\$85.5 million in respect of life insurance policy premium financing. Such banking facilities amount comprised the major liabilities of the Group as at 31 December 2022. During FY2023, the Life Insurance Subscription B was surrendered, released and repaid for the corresponding bank borrowings and overdrafts, comprising the major decrease in the Group's total liabilities to approximately HK\$68.7 million as at 31 December 2023.

The Group's net assets decreased by approximately HK\$20.6 million from approximately HK\$81.8 million as at 31 December 2022 to approximately HK\$61.2 million as at 31 December 2023. According to the Directors, such decrease in net assets was mainly due to the loss-making position during FY2023.

### *Financial position as at 31 December 2024*

As at 31 December 2024, the Group's total assets mainly comprised trade receivables of approximately HK\$46.3 million, right-of-use assets of approximately HK\$43.2 million and pledged bank deposits of approximately HK\$17.6 million. The Group's total assets increased from approximately HK\$129.9 million as at 31 December 2023 to approximately HK\$142.0 million as at 31 December 2024. As advised by the Directors, such increase in total assets was mainly due to the increase in right-of-use assets from approximately HK\$21.0 million as at 31 December 2023 to approximately HK\$43.2 million as at 31 December 2024; and partially offset by (a) the decrease in trade receivables from approximately HK\$54.8 million as at 31 December 2023 to approximately HK\$46.3 million as at 31 December 2024; and (b) the decrease in amount due from a joint venture from approximately HK\$1.7 million as at 31 December 2023 to approximately HK\$24,000 as at 31 December 2024.

As at 31 December 2024, the Group's total liabilities mainly comprised lease liabilities of approximately HK\$43.5 million, trade payables of approximately HK\$27.3 million and other payables and accruals of approximately HK\$14.2 million. The Group's total liabilities increased from approximately HK\$68.7 million as at 31

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December 2023 to approximately HK\$99.2 million as at 31 December 2024. As advised by the Directors, such increase in total liabilities was mainly due to (i) the increase in lease liabilities from approximately HK\$21.4 million as at 31 December 2023 to approximately HK\$43.5 million as at 31 December 2024; and (ii) the increase in bank borrowings and overdrafts from approximately HK\$3.0 million as at 31 December 2023 to approximately HK\$11.3 million as at 31 December 2024.

The Group's net assets decreased by approximately HK\$18.3 million from approximately HK\$61.2 million as at 31 December 2023 to approximately HK\$42.9 million as at 31 December 2024. According to the Directors, such decrease in net assets was mainly due to the loss-making position during FY2024.

### ***1.3 Overview and outlook of the Group***

According to the Annual Report 2024, the Group has established in Hong Kong since 1990 and has made significant strides in logistics industry. The Group has continued to operate the principal business segments of air and ocean freight forwarding services and logistics and warehousing services since the listing on the GEM of the Stock Exchange and has established the e-commerce business segment since 2017. To assess the outlook of the Group, we have researched and studied the data from the Census and Statistics Department of The Government of Hong Kong (the "CSD") in relation to the air and ocean freight forwarding and export and import trading.

#### *Statistics of cargo and container throughput*

	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>Compound annual growth rate</b>
	<i>tonnes'000</i>	<i>tonnes'000</i>	<i>tonnes'000</i>	<i>tonnes'000</i>	<i>tonnes'000</i>	<i>(%)</i>
Air cargo throughput	4,420	4,986	4,169	4,298	4,900	2.6
<i>Year-on-year change (%)</i>		<i>12.8</i>	<i>(16.4)</i>	<i>3.1</i>	<i>14.0</i>	
Port cargo throughput	249,286	213,731	192,104	174,866	176,691	(8.2)
<i>Year-on-year change (%)</i>		<i>(14.3)</i>	<i>(10.1)</i>	<i>(9.0)</i>	<i>1.0</i>	
	<i>TEUs'000</i>	<i>TEUs'000</i>	<i>TEUs'000</i>	<i>TEUs'000</i>	<i>TEUs'000</i>	
Container throughput	17,969	17,798	16,685	14,401	13,688	(6.6)
<i>Year-on-year change (%)</i>		<i>(1.0)</i>	<i>(6.3)</i>	<i>(13.7)</i>	<i>(5.0)</i>	

*Source: Website of the CSD (<https://www.censtatd.gov.hk/en/>)*

*Definition of TEUs: Twenty-foot equivalent units*

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As shown in the above table, the air cargo throughput fluctuated in the past five years, ranging from the lowest air cargo throughput of approximately 4.2 million tonnes for the year of 2022 to the highest air cargo throughput of approximately 5.0 million tonnes for the year of 2021. The air cargo throughput firstly increased from approximately 4.4 million tonnes for the year of 2020 to approximately 5.0 million tonnes for the year of 2021. Then, it decreased from approximately 5.0 million tonnes for the year of 2021 to approximately 4.2 million tonnes for the year of 2022. After that, it started recovering from approximately 4.2 million tonnes for the year of 2022 to approximately 4.3 million tonnes for the year of 2023 and further rose to approximately 4.9 million tonnes for the year of 2024. Overall, the air cargo throughput represents a compound annual growth rate of approximately 2.6%.

For the port cargo throughput, however, it demonstrated a general decreasing trend from approximately 249.3 million tonnes for the year of 2020 to approximately 174.9 million tonnes for the year of 2023. After that, it started slightly recovering to approximately 176.7 million tonnes for the year of 2024, representing an increase of approximately 1.0% as compared with the year of 2023. Overall, the port cargo throughput represents a negative compound annual growth rate of approximately 8.2%.

Furthermore, the container throughput also showed as a general decreasing trend from approximately 18.0 million TEUs for the year of 2020 to approximately 13.7 million TEUs for the year of 2024, representing a negative compound annual growth rate of approximately 6.6%.

Such instability of the air cargo throughput in the past five years and the general decreasing trend of the port cargo throughput and the container throughput were mainly due to the outbreak of COVID-19 from the year of 2020 to 2022.

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*Statistics of external merchandise trade (the “EM Trade”) by mode of transport*

	2020	2021	2022	2023	2024	Compound annual growth rate (%)
	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	
<b>Exports</b>						
Air exports	1,442,947	1,760,263	1,870,978	1,732,321	1,706,695	4.3
<i>Year-on-year change (%)</i>		22.0	6.3	(7.4)	(1.5)	
Ocean exports	508,077	602,055	577,015	420,723	435,242	(3.8)
<i>Year-on-year change (%)</i>		18.5	(4.2)	(27.1)	3.5	
<b>Imports</b>						
Air imports	2,056,229	2,578,010	2,691,421	2,429,484	2,595,014	6.0
<i>Year-on-year change (%)</i>		25.4	4.4	(9.7)	6.8	
Ocean imports	506,846	568,049	620,019	503,931	480,255	(1.3)
<i>Year-on-year change (%)</i>		12.1	9.1	(18.7)	(4.7)	

*Source: Website of the CSD (<https://www.censtatd.gov.hk/en/>)*

As shown in the above table, the EM Trade by air exports firstly increased from approximately HK\$1,442.9 billion for the year of 2020 to approximately HK\$1,871.0 billion for the year 2022. Then, it started decreasing from approximately HK\$1,871.0 billion for the year of 2022 to approximately HK\$1,732.3 billion for the year of 2023 and further dropped to approximately HK\$1,706.7 billion for the year of 2024. The EM Trade by air exports represents a compound annual growth rate of approximately 4.3%. For the EM Trade by ocean exports, it fluctuated in the past five years, ranging from the lowest of approximately HK\$420.7 billion for the year of 2023 to the highest of approximately HK\$602.1 billion for the year of 2021. The EM Trade by ocean exports firstly increased from approximately HK\$508.1 billion for the year of 2020 to approximately HK\$602.1 billion for the year of 2021. Then, it decreased from approximately HK\$602.1 billion for the year of 2021 to approximately HK\$577.0 billion for the year of 2022 and further dropped to approximately HK\$420.7 billion for the year of 2023. After that, it started recovering from approximately HK\$420.7 billion for the year of 2023 to approximately HK\$435.2 billion for the year of 2024. The EM Trade by ocean exports represents a negative compound annual growth rate of approximately 3.8%.



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On the other hand, the EM Trade by air imports demonstrate a general increasing trend (except for the year of 2023) from approximately HK\$2,056.2 billion for the year of 2020 to approximately HK\$2,595.0 billion for the year of 2024, representing a compound annual growth rate of approximately 6.0%. However, the EM Trade by ocean imports remained unstable in the past five years. The EM Trade by ocean imports firstly increased from approximately HK\$506.8 billion for the year of 2020 to approximately HK\$620.0 billion for the year of 2022. However, it started decreasing from approximately HK\$620.0 billion for the year of 2022 to approximately HK\$503.9 billion for the year of 2023 and further deteriorating to approximately HK\$480.3 billion for the year of 2024. The EM Trade by ocean imports represents a negative compound annual growth rate of approximately 1.3%.

Pursuant to the Annual Report 2024, the Group secures cargo space from airlines, shipping liners, general sales agents, and then sell it to either direct shippers or other freight forwarders who act on behalf of their shipper clients. While the majority of the Group's customers are direct shippers, the Group caters for their requirements by exporting their goods from Hong Kong to various global destinations through air and ocean freight services. As advised by the Directors, most of the Group's air and ocean freight forwarding services and e-commerce's orders are served for the customers who export their goods from Hong Kong to various global destinations. In light of this, the Directors consider that the instability of EM trade by air and ocean exports and imports are in line with the revenue of the Group's business segments in freight forwarding, logistics and warehousing services.

After considering that,

- (i) the Group has suffered a decline in total revenue for FY2023 and FY2024 and also a decline in gross profit for FY2023 and FY2024;
- (ii) despite the Directors and senior management of the Company remained committed to implement strict cost control measures and strategic pricing adjustments to drive the improvement on the Group's profitability, the Group's gross profit margin declined from approximately 14.3% for FY2022 to approximately 10.2% for FY2023 and further narrowed to approximately 9.1% for FY2024, representing the high cost pressure put on the Group's business in recent years;
- (iii) the Group was in slight profit-making position for FY2022 (net profit margin: 1.0%) and even suffered from loss-making positions for FY2023 and FY2024;
- (iv) the Group's net assets decreased from approximately HK\$81.8 million as at 31 December 2022 to approximately HK\$61.2 million as at 31 December 2023 and further decreased to approximately HK\$42.9 million as at 31 December 2024;



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- (v) the instability of air and ocean cargo throughput and the decreasing trend of the container throughput in the past five years demonstrate that the quantity of goods trading remain unstable; and
- (vi) the instability of the EM Trade of air and ocean, especially for the EM Trade of ocean representing a generally decreasing trend of exports and imports demonstrate that the amount of goods trading is fickle,

we are of the view that (a) the Group's outlook and prospects remain uncertain; and (b) the Offers provide a good opportunity to those Shareholders who wish to redeploy their investment from the Company.

### 2. Information of 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% of the issued Shares, 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 Shares.

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 an 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 Shares.

### **3. The Offeror's intention on 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 (iii) 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.

### **4. The composition of the Board**

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 Yuxi 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.

## **5. Maintaining the listing status of the Company**

The Offeror 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 appointment 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.

## **6. Compulsory acquisition**

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.

## **7. Our view**

After considering the following factors,

- (i) Mr. Cheng, a director and the sole ultimate beneficial shareholder of the Offeror, is a founder of the Group. Also, Mr. Cheng was appointed as the Director from 12 November 2015 to 4 October 2019 and possessed over 40 years of experience in freight forwarding and logistics industries;
- (ii) the Offeror has intention to continue the existing business of the Group and intends that the Group's existing principal activities will be maintained;
- (iii) the Offeror intends to remain the issued Shares listed on the Stock Exchange and maintain the listing status of the Company; and
- (iv) the Offeror does not intend to exercise any power of compulsory acquisition of any Offer Shares outstanding and not acquired under the Share Offer after the close of the Offers,

it is expected that (i) the Offeror and Mr. Cheng, becoming the controlling shareholder of the Company after the close of the Offers, would have adequate knowledge and experience to provide advice on the Group's business operation; and (ii) there will be no immediate material change on the business operation of the Group after the close of the Offers.

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However, given that (i) the Group was in slight profit-making position for FY2022 (net profit margin: 1.0%) and even suffered from loss-making positions for FY2023 and FY2024; (ii) the Group's net assets position was deteriorating from approximately HK\$81.8 million as at 31 December 2022 to approximately HK\$61.2 million as at 31 December 2023 and further dropped to approximately HK\$42.9 million as at 31 December 2024; and (iii) the uncertainty on the Group's future prospect, we are of the view that the Offers represent an opportunity for the Shareholders to realise their investments in the Company should they so wish to.

### ANALYSIS OF THE SHARE OFFER PRICE FOR THE SHARE OFFER

#### 8. Comparison of the Share Offer Price

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

- (i) a discount of approximately 26.83% to the closing price of HK\$0.082 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 7.69% to the closing price of HK\$0.0650 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 12.79% to the average closing price of approximately HK\$0.0688 per Share, being the average closing price of the Shares as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;
- (iv) a discount of 12.28% to the average closing price of approximately HK\$0.0684 per Share, being the average closing price of the Shares as quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to and including the Last Trading Day;
- (v) a premium of approximately 3.63% over the average closing price of approximately HK\$0.0579 per Share, being the average closing price of the Shares as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Day; and
- (vi) 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, which was calculated based on the audited consolidated net assets of the Group of approximately HK\$42,869,000 as at 31 December 2024 (the date on which the latest audited financial results of the Group were made up) and 600,000,000 Shares in issue as at the Latest Practicable Date.

On the other hand, (i) the daily closing price of the Share during the period from 22 April 2024 to 22 April 2025, being the twelve-month period prior to the Last Trading Day (i.e. 22 April 2025) (the “**Pre Joint Announcement Review Period**”) range from the highest of HK\$0.144 per Share to the lowest of HK\$0.042 per Share, with an average of approximately HK\$0.082 per Share; (ii) the closing price of the Share on the Last Trading Day was HK\$0.065 per Share; (iii) the trading of the Share during the period from 23 April 2025 to 13

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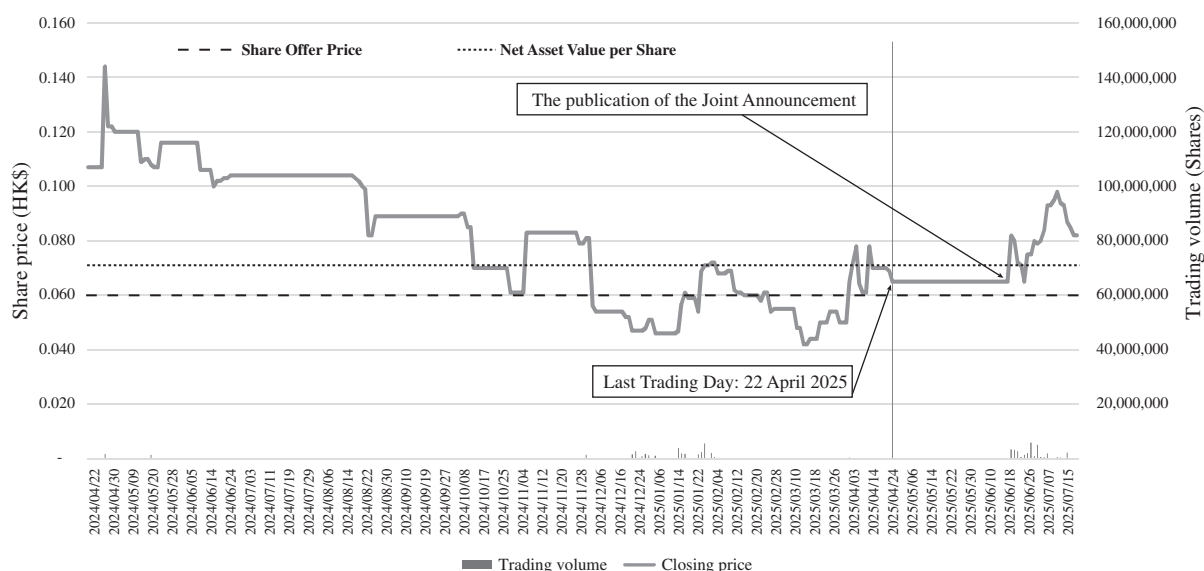
June 2025 was halted; and (iv) the daily closing price of the Share during the period from 16 June 2025 to the Latest Practicable Date (the “**Post Joint Announcement Review Period**”) range from the highest of HK\$0.098 per Share to the lowest of HK\$0.065 per Share, with an average of approximately HK\$0.083 per Share. We consider that the review period as mentioned above is fair and reasonable to illustrate the general trend and movement of recent closing prices of the Shares.

### 9. Historical performance of the Shares

#### 9.1 Historical price of the Shares

Set out below is the chart showing the daily closing price of the Shares as quoted on the Stock Exchange during the Pre Joint Announcement Review Period and the Post Joint Announcement Review Period (collectively, the “**Review Periods**”). We consider that the Review Periods are fair, adequate, representative and sufficient to illustrate the general trend and level of movement of recent closing prices of the Shares for conducting a reasonable comparison among the historical closing prices of the Shares and the Share Offer Price.

**Chart 1: Movement of the daily closing price of the Share during the Review Periods**



*Note:* The net asset value per Share was calculated based on the audited consolidated net assets as set out in the Annual Report 2024 divided by the total number of the Shares in issue as at the Latest Practicable Date.

*Source:* Website of the Stock Exchange (<https://www.hkex.com.hk>)

As shown in the above chart 1, 57 out of 244 trading days during the Pre Joint Announcement Review Period were closed below the Share Offer Price of HK\$0.06 per Offer Share. During the Pre Joint Announcement Review Period, the closing prices of the Shares range from HK\$0.042 to HK\$0.144, with an average of approximately HK\$0.082. The closing prices of the Shares demonstrated a general decreasing trend during the Pre Joint Announcement Review Period.

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During the Post Joint Announcement Review Period, the closing price of the Shares (i) demonstrated a fluctuation within the range from HK\$0.065 to HK\$0.098; and (ii) closed at HK\$0.082 on the Latest Practicable Date.

**Shareholders should note that the information set out above is not an indicator of the future trading price performance of the Shares, and that trading price of Shares may increase or decrease during the Offer Period and after the close of the Share Offer.**

**Shareholders who wish to accept the Share Offer or realise their investments in the Group are reminded that they should carefully and closely monitor the trading price of the Shares during the Offer Period.**

### *9.2 Historical liquidity of the Shares*

The following table sets out the average daily trading volume (the “ADTV”) of Shares for each month or period and the percentages of such ADTV to the number of total issued Shares during the Review Periods:

**Table 1: Trading liquidity of Shares**

	Number of trading days (no transaction)	Number of trading days (total)	ADTV during the period/month (Shares)	Percentage of ADTV over the issued Shares of the Company as at period/ month end (approximate %) (Note 1)	Percentage of ADTV over the issued Shares of the Company held by the public Shareholders as at period/month end (approximate %) (Note 2)
<b>2024</b>					
From 22 April 2024 to 30 April 2024	5	7	312,857	0.052	0.085
May	14	21	114,762	0.019	0.031
June	14	19	24,737	0.004	0.007
July	22	22	—	—	—
August	17	22	30,455	0.005	0.008
September	19	19	—	—	—
October	17	21	11,905	0.002	0.003
November	19	21	76,667	0.013	0.021
December	13	20	456,000	0.076	0.124

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	Number of trading days (no transaction)	Number of trading days (total)	ADTV during the period/month (Shares)	Percentage of ADTV over the issued Shares of the Company as at period/ month end (approximate %) (Note 1)	Percentage of ADTV over the issued Shares of the Company held by the public Shareholders as at period/month end (approximate %) (Note 2)
<b>2025</b>					
January	9	19	1,188,421	0.198	0.324
February	10	20	55,000	0.009	0.015
March	16	21	52,381	0.009	0.014
From 1 April 2025 to 21 April 2025	<u>6</u>	<u>12</u>	<u>42,500</u>	<u>0.007</u>	<u>0.012</u>
Pre Joint Announcement Review Period	<u>181</u>	<u>244</u>	<u>172,172</u>	<u>0.029</u>	<u>0.047</u>
22 April 2025 (Last Trading Day)	—	1	153,114,000	25.519	41.759
From 23 April 2025 to 30 April 2025 (Note 3)	N/A	N/A	N/A	N/A	N/A
May (Note 3)	N/A	N/A	N/A	N/A	N/A
From 2 June 2025 to 13 June 2025 (Note 3)	N/A	N/A	N/A	N/A	N/A
From 16 June 2025 to 30 June 2025	—	11	2,564,545	0.427	0.938
From 2 July 2025 to the Latest Practicable Date	1	11	662,727	0.110	0.242

*Notes:*

1. It is calculated by dividing the ADTV for the month/period by the total number of Shares in issue at the end of month/period;
2. It is calculated by dividing the ADTV for the month/period by the total number of Shares in issue held by public Shareholders at the end of month/ period; and
3. Trading of Shares was halted during the period from 23 April 2025 to 13 June 2025 and pending the release of the Joint Announcement.

*Source: Website of the Stock Exchange (<https://www.hkex.com.hk>)*



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As illustrated in the table 1 above, the monthly ADTV of the Shares during the Pre Joint Announcement Review Period ranged from nil Shares in July 2024 and September 2024 to approximately 1,188,421 Shares in January 2025, representing (i) from nil to approximately 0.198% of the total number of the Shares in issue; and (ii) from nil to approximately 0.324% of the total number of Shares held by the public. The ADTV of the Shares during the Pre Joint Announcement Review Period was approximately 172,172 Shares, representing approximately 0.029% and 0.047% of the total number of the Shares in issue and the Shares in issue held by the public respectively.

During the Post Joint Announcement Review Period, the ADTV of the Shares during the period from 16 June 2025 to the Latest Practicable Date was approximately 1,613,636 Shares, representing approximately 0.269% and 0.590% of the total number of the Shares in issue and the Shares in issue held by the public respectively. We also note that there is a fluctuation of the trading volume of the Shares, ranging from nil Shares on 11 July 2025 to approximately 6,110,000 Shares on 24 June 2025 and closed at 450,000 Shares on the Latest Practicable Date.

Shareholders should also note that (i) there were no trading of Shares in July 2024 and September 2024; and (ii) there was a total of 181 trading days which was no trading of Shares, representing approximately 74.2% of 244 trading days during the Pre Joint Announcement Review Period.

The historical trading volume of the Shares during the Pre Joint Announcement Review Period are very thin. Given the Shares are illiquid, the disposal of a significant number of Shares held by the Shareholders in the open market would likely to trigger price slump of the Shares.

**Shareholders should note that the information set out above is not an indicator of the future trading volume of the Shares, and that the trading volume of Shares may fluctuate during the Offer Period and after the close of the Share Offer.**

**Shareholders who wish to accept the Share Offer or realise their investments in the Group are reminded that they should carefully and closely monitor the trading volume of the Shares during the Offer Period.**

### ***9.3 Our view***

Taking into account (i) the closing price of the Shares was generally in a decreasing trend throughout the Pre Joint Announcement Review Period; (ii) during the Pre Joint Announcement Review Period, there were no trading of Shares for 181 trading days, representing approximately 74.2% of 244 trading days; and (iii) the historical daily trading volume of Shares during the Pre Joint Announcement Review Period are very thin, it creates an uncertainty on whether there is sufficient liquidity for the Independent Shareholders to dispose of a significant number of Shares on the Stock Exchange without creating downward pressure on the trading price of Shares. Therefore, we consider that the Share Offer provides an assured exit alternative for the Independent Shareholders, to realise part of or all of their investments in the Shares at the Share Offer Price of HK\$0.06 per Offer Share if they wish so.



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**We would like to remind Shareholders that our analysis set out above is not an indicator of the future performance of the Shares, and that the trading price of Shares after the publishment of the Joint Announcement may increase or decrease during the Offer Period and after the close of the Share Offer.**

**Shareholders who wish to accept the Share Offer or realise their investments in the Group are reminded that they should carefully and closely monitor the trading price of the Shares during the Offer Period.**

### **10. Comparable analysis with other listed companies on pricing multiples**

As discussed in the paragraph headed “1. Background and financial information of the Group” above in this letter, the Group principally engages in investment holding and its subsidiaries are principally engaged in freight forwarding, logistics and warehousing and E-commerce business. Based on the Share Offer Price of HK\$0.06 per Offer Share and the total number of issued Shares of 600,000,000 as at the Latest Practicable Date, the implied market capitalisation of the Company is approximately HK\$36.0 million. In this respect, in order to evaluate the fairness and reasonableness of the Share Offer Price, we have conducted a comparable company analysis based on the following selection criteria to include companies that (i) are listed on the Stock Exchange and are not being suspension of trading as at the Last Trading Day; (ii) are principally engaged in freight forwarding, logistics and warehousing services in Hong Kong; (iii) generate at least 70% of their respective total revenue contributed from freight forwarding, logistics and warehousing services in Hong Kong in their latest financial year which is similar to the Group’s total revenue principally generated from freight forwarding, logistics and warehousing services in Hong Kong (approximately HK\$212.8 million for FY2024, representing approximately 84.9% of the Group’s total revenue); and (iv) have market capitalisation at or below HK\$500 million as at the Last Trading Day.

Based on the abovementioned criteria, we have identified an exhaustive list of three companies listed on the Stock Exchange which are also principally engaged in freight forwarding, logistics and warehousing services in Hong Kong (the “**Comparable Companies**”).

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For comparison purpose, we have considered the price-to-earnings ratio (the “**P/E Ratio**”), price-to-book ratio (the “**P/B Ratio**”) and the price-to-sales ratio (the “**P/S Ratio**”) which are the most commonly adopted valuation benchmark in the course of valuation of companies since the data for calculating these ratios can be obtained directly from publicly available information and reflect the value of the companies determined by the open market. However, given that the Company recorded a loss-making position for FY2024, we are unable to conduct the comparison on P/E Ratio. We also considered the use of the P/B Ratio and the P/S Ratio in our market comparable analysis as reference, details of which are set out below:

**Table 2: Analysis of the Comparable Companies**

Name of company (stock code)	Principal business	Market capitalisation <i>(Note 1)</i> <i>HK\$'000</i>	Revenue for the latest financial year <i>HK\$'000</i>	Loss for the latest financial year <i>HK\$'000</i>	Net assets for the latest financial year <i>HK\$'000</i>	P/B Ratio <i>(Note 2)</i>	P/S Ratio <i>(Note 3)</i>
YTO International Express and Supply Chain Technology Limited (6123)	Principally engaged in the provision of freight forwarding, logistics and warehousing, international express and parcel and land and trucking services.	428,594	5,322,482	(41,965)	1,226,036	0.35	0.08
Grand Power Logistics Group Limited (8489)	Principally engaged in providing air and ocean export and import freight forwarding and logistics and warehousing services.	41,700	1,058,172	(3,655)	126,655	0.33	0.04
Wan Leader International Limited (8482)	Principally engaged in provision of freight forwarding and related logistics services, and trading of fashion items.	22,611	157,584	(25,213)	36,576	0.62	0.14
					Maximum	0.62	0.14
					Minimum	0.33	0.04
					Mean	0.43	0.09
					Median	0.35	0.08

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		Implied market capitalisation (Note 1) HK\$'000	Revenue for the latest financial year HK\$'000	Loss for the latest financial year HK\$'000	Net assets for the latest financial year HK\$'000	Implied P/B Ratio (Note 2)	Implied P/S Ratio (Note 3)
The Company (8035)	Principally engages in investment holding and its subsidiaries are principally engaged in freight forwarding, logistics and warehousing and E-commerce business.	36,000	250,771	(18,374)	42,869	0.84	0.14

*Notes:*

1. The market capitalisation of the Comparable Companies are calculated by multiplying their respective closing prices as at the Last Trading Day by their respective numbers of shares. The implied market capitalisation of the Company is calculated by multiplying the Share Offer Price by the number of Shares;
2. The P/B Ratio of the Comparable Companies are calculated by dividing their respective market capitalisation as at the Last Trading Day by their respective consolidated net asset value according to its latest financial year/period. The implied P/B Ratio of the Company (the “**Implied P/B Ratio**”) is calculated by dividing its market capitalisation based on the Share Offer Price by the consolidated net asset value of approximately HK\$42.9 million as at 31 December 2024; and
3. The P/S Ratio of the Comparable Companies are calculated by dividing their respective market capitalisation as at the Last Trading Day by their respective revenue for the latest financial year. The implied P/S Ratio of the Company (the “**Implied P/S Ratio**”) is calculated by dividing its market capitalisation based on the Share Offer Price by the revenue of the Group of approximately HK\$250.8 million for FY2024.

*Source: Website of the Stock Exchange (<https://www.hkex.com.hk>)*

As illustrated from the table 2 above, we noted that (i) the Implied P/B Ratio of approximately 0.84 times is above all the Comparable Companies, which range from the lowest of approximately 0.33 times to the highest of approximately 0.62 times, with the average and median of approximately 0.43 times and 0.35 times respectively; and (ii) the Implied P/S Ratio of approximately 0.14 times is also above or equal to all the Comparable Companies, which range from the lowest of approximately 0.04 times to the highest of approximately 0.14 times, with the average and median of approximately 0.09 times and 0.08 times respectively. These indicate that the valuation of the Company based on the Share Offer Price offered by the Offeror to the Independent Shareholders is (i) higher than all the P/B Ratio of the Comparable Companies; and (ii) higher than or equal to all the P/S Ratio of the Comparable Companies derived from their respective closing prices per share on the Last Trading Day. Based on the above analysis, we consider that the Share Offer Price to be attractive with reference to the valuation in comparison with the Comparable Companies.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

### 11. Our view

Having considered,

- (i) the closing price of the Shares was generally in a decreasing trend throughout the Pre Joint Announcement Review Period and remained in fluctuation during the Post Joint Announcement Review Period;
- (ii) the trading volume of the Shares was low during the Pre Joint Announcement Review Period and suddenly become active after the publishment of the Joint Announcement. However, such active trading volume of Shares may not be able to maintain continuously and be noted that there is a fluctuation of the trading volume of the Shares. Such instability on the trading volume of Shares creates concern on whether there is sufficient liquidity for the Independent Shareholders to dispose of a significant number of Shares on the Stock Exchange without creating downward pressure on the trading price of Shares;
- (iii) the Implied P/B Ratio is higher than all the P/B Ratio of the Comparable Companies;
- (iv) the Implied P/S Ratio is higher than or equal to all the P/S Ratio of the Comparable Companies;
- (v) the Group was in slight profit-making position for FY2022 (net profit margin: 1.0%) and even suffered from loss-making positions for FY2023 and FY2024;
- (vi) the Group's net assets decreased from approximately HK\$81.8 million as at 31 December 2022 to approximately HK\$61.2 million as at 31 December 2023 and further decreased to approximately HK\$42.9 million as at 31 December 2024; and
- (vii) the prospect of the Group remains uncertain as discussed in the paragraph headed "1.3. Overview and outlook of the Group" above in this letter,

we are of the view that the Share Offer Price is fair and reasonable so far as the Independent Shareholders are concerned.

## **ANALYSIS OF THE CANCELLATION PRICE FOR THE OPTION OFFER**

### **12. Principal terms of the Option Offer**

Please refer to the paragraph headed “2. The Option Offer” above in this letter for detailed information on the principal terms of the Option Offer.

### **13. Our view**

As at the Latest Practicable Date, the Company has 3,000,000 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.

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.

Pursuant to the paragraph headed “Effect of accepting the Offers” under the section headed “Letter from Jin Yi Financial”, acceptance of the Option Offer by Optionholders will result in the cancellation of those outstanding Share Options, together with all rights attaching thereto. Share Options will lapse automatically (to the extent not exercised and accepted under the Option Offer) on the date upon the close of the Offers.

Given that (i) the “see-through” value of the outstanding Share Options is zero; and (ii) the Share Options will lapse automatically (to the extent not exercised and accepted under the Option Offer) on the date upon the close of the Offers, we consider that the Option Offer Price of HK\$0.01 per Share Option is fair and reasonable so far as the Optionholders are concerned.

## **RECOMMENDATION**

### **The Share Offer**

Having considered the principal factors and reasons as discussed above, in particular,

- (i) as discussed in the paragraph headed “1.3. Overview and outlook of the Group”, the prospect of the Group remains uncertain;
- (ii) the financial performance of the Group remains unsatisfactory, in particular that the Group only had a slight profit of approximately HK\$5.3 million for FY2022 and even suffered from a loss of approximately HK\$18.5 million and HK\$18.4 million for FY2023 and FY2024 respectively;
- (iii) the Group’s net assets decreased from approximately HK\$81.8 million as at 31 December 2022 to approximately HK\$61.2 million as at 31 December 2023 and further decreased to approximately HK\$42.9 million as at 31 December 2024;

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (iv) the closing price of the Shares was generally in a decreasing trend throughout the Pre Joint Announcement Review Period;
- (v) despite there was a surge of share price from HK\$0.065 per Share on the Last Trading Day to HK\$0.082 per Share on 16 June 2025 after the publishment of the Joint Announcement, such increase in the closing price of the Shares may not be sustained and highly fluctuated;
- (vi) the historical trading volume of the Shares during the Pre Joint Announcement Review Period are very thin and even had no trading of Shares in July 2024 and September 2024;
- (vii) the fluctuation of trading volume of Shares during the Post Joint Announcement Review Period creates concern on whether there is sufficient liquidity for the Independent Shareholders to dispose of a significant number of Shares on the Stock Exchange at a fixed cash price within a short period of time without creating downward pressure on the trading price of Shares;
- (viii) the Implied P/B Ratio is higher than all the P/B Ratio of the Comparable Companies; and
- (ix) the Implied P/S Ratio is higher than or equal to all the P/S Ratio of the Comparable Companies.

We are of the opinion that the Share Offer is fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to accept the Share Offer. **Notwithstanding the above, we note that the Shares had been trading above the Share Offer Price after the publication of the Joint Announcement, closed at HK\$0.082 per Share as at the Latest Practicable Date. In this connection, the Independent Shareholders who wish to realise their investments in the Group are reminded that they should carefully and closely monitor the trading price and trading volume of the Shares during the Offer Period, and having regard to their own circumstances, consider selling the Shares in the open market, where possible, instead of accepting the Share Offer, if the net proceeds from the ultimate sale of such Shares after factoring costs would be higher than that receivable under the Share Offer, and only to accept the Share Offer if the Independent Shareholders (especially those with large blocks of Shares) encounter difficulties to sell their Shares in the open market due to the liquidity issue at the Share Offer Price or a price higher than the Share Offer Price.**

**For those Independent Shareholders who intend to dispose of large blocks of Shares in the open market, we would also remind them of the possible difficulty in disposing of their Shares in the open market without creating downward pressure on the trading price of the Shares as a result of the thin trading volume in the Shares.**

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Independent Shareholders should also note that (i) there is no guarantee that the trading price of the Shares will or will not sustain at a level above the Share Offer Price during the Offer Period and after the close of the Offers; and (ii) they may not be able to realise their investments in the Shares at a price higher than the Share Offer Price when they are going to dispose part of or all of their Shares given the thin historical trading volume of the Shares during the Pre Joint Announcement Review Period and the instability of trading volume of the Shares during the Post Joint Announcement Review Period.

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

### **The Option Offer**

Given that (i) the “see-through” value of the outstanding Share Options is zero; and (ii) the Share Options will lapse automatically (to the extent not exercised and accepted under the Option Offer) on the date upon the close of the Offers, we consider that the Option Offer Price of HK\$0.01 per Share Option is fair and reasonable so far as the Optionholders are concerned. On such basis, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Optionholders to accept the Option Offer.

Yours faithfully,  
For and on behalf of  
**Dakin Capital Limited**  
**Tam Kin Fong**  
*Managing Director*

*Note:* Mr. Tam Kin Fong is a responsible officer of Dakin Capital Limited, which is licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has been active in the field of corporate finance advisory for over 20 years, and has been involved in and completed various corporate finance advisory transactions.

**PROCEDURES FOR ACCEPTANCE OF THE OFFERS****A. The Share Offer**

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

If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title in respect of your Shares are in your name, and you wish to accept the Share Offer, you must send the duly completed relevant WHITE Form of Share Offer Acceptance together with the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title and/or any indemnity or indemnities required in respect thereof, for not less than the number of Shares in respect of which you intend to accept the Share Offer by post or by hand, to the Registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by post or by hand, marked “Janco Holdings Limited — Offers” on the envelope, in any event not later than 4:00 p.m., on the Closing Date or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code.

If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title in respect of your Shares is/are in the name of a nominee company or some name other than your own and you wish to accept the Share Offer whether in full or in respect of part of your holding of the 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) with the nominee company, or other nominee, and with instructions authorising it to accept the Share Offer on your behalf and requesting it to deliver the WHITE Form of Share Offer Acceptance duly completed together with the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar;
- (ii) arrange for the Shares to be registered in your name by the Company through the Registrar, and deliver the WHITE Form of Share Offer Acceptance duly completed and signed together with the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar;
- (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 Share Offer on your behalf 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, give your instruction via the CCASS Phone System or CCASS Internet System 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.

If you have lodged transfer(s) 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 Share Offer in respect of your Shares, you should nevertheless complete and sign the WHITE Form of Share Offer Acceptance and deliver it to the Registrar together with the transfer receipt(s) duly signed by yourself. Such action will constitute an irrevocable authority to the Offeror and Jin Yi Financial 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 Share Offer, as if it was/they were delivered to the Registrar with the WHITE Form of Share Offer Acceptance.

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, as the case may be, and you wish to accept the Share Offer in respect of your Shares, the WHITE Form of Share Offer Acceptance should nevertheless be completed and delivered to the Registrar together with a letter stating that you have lost one or more of your Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) 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) should be forwarded to the Registrar as soon as possible thereafter. If you have lost your Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title, you should also write to the Registrar for a letter of indemnity which, when completed in accordance with the instruction given, should be returned to the Registrar.

Acceptance of the Share Offer will be treated as effective and valid only if the completed WHITE Form of Share Offer Acceptance is received by the Registrar on or before the latest time for acceptance of the Offers and the Registrar has recorded that the acceptance and any relevant documents required by the Takeovers Code have been so received, and is:

- (i) accompanied by the relevant Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and, if that/those 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) is/are not in your name, such other documents (e.g. a duly stamped transfer of the relevant Share(s) in blank or in favour of the acceptor executed by the registered holder) in order to establish your right to become the registered holder of the relevant Shares; or
- (ii) from a registered Shareholder or his personal representatives (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 paragraph hereof; or
- (iii) certified by the Registrar or Stock Exchange.

If the WHITE Form of Share Offer Acceptance is executed by a person other than the registered Shareholder, appropriate documentary evidence of authority (e.g. grant of probate or certified copy of a power of attorney) to the satisfaction of the Registrar must be produced.

Seller's ad valorem stamp duty payable by the Shareholders who accept the Share Offer and calculated at a rate of 0.10% 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 the higher (rounded up to the nearest of HK\$1.00), will be deducted from the amount payable by the Offeror to the relevant Offer Shareholders on acceptance of the Share Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the Offer Shareholders who accept the Share Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptance of the Share Offer and the transfer of the Shares.

No acknowledgement of receipt of any WHITE Form of Share Offer Acceptance, Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

**B. The Option Offer**

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

Without prejudice to the section headed “**ACCEPTANCE AND SETTLEMENT**” in Letter from Jin Yi Financial of this Composite Document, the completed YELLOW Form of Option Offer Acceptance should be forwarded, together with the relevant certificate(s) of the Share Options (if applicable) and/or other document(s) of title (and/or satisfactory indemnity or indemnities and any other document(s) required in respect thereof) you intend to tender, stating the number of Share Options in respect of which you intend to accept the Option Offer, by post or by hand, to the Offeror at Office Nos. 1402–1403, 14/F, Tower 2, Admiralty Centre, No 18 Harcourt Road, Hong Kong, as soon as possible and in any event no later than 4: 00 p.m. on the Closing Date or such later time(s) and/or date(s) as the Offeror may determine and announce in compliance with the requirements of the Takeovers Code.

No acknowledgement of receipt of any YELLOW Form(s) of Option Offer Acceptance, certificate(s) of the Share Options (if applicable) and/or any other documents of title (and/or any satisfactory indemnity or indemnities and any other document(s) required in respect thereof) will be given.

If no total number of Share Options is specified or if the total number of the Share Options specified in the YELLOW Form of Option Offer Acceptance is greater or smaller than the Share Options tendered and the Optionholders have signed the YELLOW Form of Option Offer Acceptance, the YELLOW Form of Option Offer Acceptance will be returned to the Optionholders for correction and resubmission. Any corrected form must be resubmitted and received by the Offeror on or before the latest time of acceptance of the Option Offer on the Closing Date.

**SETTLEMENT****A. The Share Offer**

Provided that a valid WHITE Form of Share Offer Acceptance and the relevant certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities and any other document(s) required in respect thereof) are complete and in good order in all respects and have been received by the Registrar before the close of the Share Offer, a cheque for the amount due to each of the Offer Shareholders who accepts the Share Offer less seller’s ad valorem stamp duty in respect of the Shares tendered by it/him/her under the Share Offer will be despatched to such Offer Shareholder by ordinary post at it/his/her own risk as soon as possible but in any event no later than seven (7) Business Days after the date of receipt by the Registrar of all relevant documents which render such acceptance complete, valid and in compliance with Note 1 to Rule 30.2 of the Takeovers Code.

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

Settlement of the consideration to which any accepting Offer Shareholder is entitled under the Share Offer will be implemented in full in accordance with the terms of the Share Offer (save with respect to 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 Offeror may otherwise be, or claim to be, entitled against such accepting Offer Shareholder.

**B. The Option Offer**

Provided that a valid YELLOW Form of Option Offer Acceptance and the relevant certificate(s) in respect of the Share Options (and/or any satisfactory indemnity or indemnities required in respect thereof) are complete and in good order in all respects and have been received by the Offeror before the close of the Option Offer, a cheque for the amount due to each of the Optionholder who accept the Option Offer in respect of the Share Option tendered by it/him/her under the Option Offer will be despatched to such Optionholder by ordinary post at its/his/her own risk as soon as possible but in any event no later than seven (7) Business Days after the date of receipt by the Offeror of all relevant documents which render such acceptance complete, valid and in compliance with Note 1 to Rule 30.2 of the Takeovers Code.

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

Settlement of the consideration to which any accepting Optionholder is entitled under the Option Offer will be implemented in full in accordance with the terms of the Option Offer, without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such accepting Optionholder.

**ACCEPTANCE PERIOD AND REVISIONS**

The Offers are made on Friday, 18 July 2025, being the date of despatch of this Composite Document, and are open for acceptance on and from this date.

In order to be valid for the Offers, the WHITE Form of Share Offer Acceptance and the YELLOW Form of Option Offer Acceptance must be received by the Registrar (in respect of the Share Offer) or the Offeror (in respect of the Option Offer) in accordance with the instructions printed thereon by 4:00 p.m. on the Closing Date, unless the Offers are extended or revised with the consent of the Executive in accordance with the Takeovers Code.

If the Offers are extended or revised, an announcement of such extension or revision will state the next closing date. At least 14 days' notice in writing will be given before the Offers are closed to the Offer Shareholders and Optionholders who have not accepted the Offers, and an announcement will be released. The revised Offers will be kept open for at least 14 days thereafter. If, in the course of the Offers, the Offeror revises the terms of the Offers, all Offer Shareholders and Optionholders, whether or not they have already accepted the Offers, will be entitled to the revised terms.

Any acceptance of the relevant revised Offers shall be irrevocable unless and until the Offer Shareholders and Optionholders who accept the Offers become entitled to withdraw their acceptance under the section headed “**6. RIGHT OF WITHDRAWAL**” of this Appendix below and duly do so.

If the Closing Date is extended, any reference in this Composite Document and in the Forms of Acceptance to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the closing date of the Offers as so extended.

### **EXERCISE OF SHARE OPTIONS**

The Optionholders who wishes to accept the Share Offer may (i) exercise his/her/its Share Options (to the extent exercisable) by completing, signing and delivering a notice for exercising the Share Options together with a cheque for payment of the subscription monies and the related certificates (if applicable) for the Share Options to the Company before the close of the Offers; and (ii) at the same time, or in any event no later than 4: 00 p.m. on the Closing Date (or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code), complete and sign the WHITE Form of Share Offer Acceptance and deliver it to the Registrar together with a copy of the set of documents delivered to the Company for exercising the Share Options. Notwithstanding the above, the exercise of the Share Options is always subject to the terms and conditions of the share option scheme of the Company adopted on 23 September 2016 and the terms attaching to the grant of the relevant Share Options.

Delivery of the completed and signed WHITE Form of Share Offer Acceptance to the Registrar will not serve to complete the exercise of the Share Option but will only be deemed to be an irrevocable authority to the Offeror and Jin Yi Financial and/or any of their respective agent(s) or such other person(s) as they may direct to collect from the Company or the Registrar on his/her/its behalf the relevant Share certificate(s) when issued on exercise of the Share Options as if it/they was/were delivered to the Registrar with the WHITE Form of Share Offer Acceptance. If the Optionholders fails to exercise his/her/its Share Options as aforesaid and in accordance with the terms and conditions of the share option scheme of the Company adopted on 23 September 2016, there is no guarantee that the Company may issue the relevant Share certificate in respect of the Shares allotted pursuant to his/her/its exercise of the Share Option(s) to such Optionholder in time for it to accept the Share Offer as an Offer Shareholder of such Shares under the terms of the Share Offer.

**LAPSE OF SHARE OPTIONS**

Following acceptance of the Option Offer, the relevant Share Options together with all rights attaching thereto will be entirely cancelled and renounced on the Closing Date. Optionholders should note that according to the rules of the share option scheme of the Company adopted on 23 September 2016, the Optionholders are entitled to exercise their Share Options (to the extent not exercised) in full or in part by notice in writing to the Company before the close of the Option Offer. Under the rules of the share option scheme, the Share Options (to the extent not exercised) will cease and determine and lapse automatically after the close of the Option Offer on the Closing Date. Optionholders are reminded that acceptance of the Option Offer made in relation to any Share Option that has lapsed will not render acceptance to be valid. Optionholders are therefore recommended to consult their own professional advisers as to the exercise of the Share Options pursuant to the rules of the share option scheme of the Company adopted on 23 September 2016 and the implications as to accepting or rejecting the Option Offer.

Nothing in this Composite Document or the Option Offer will serve to extend the life of any Share Option which lapses under the share option scheme. No exercise of the Share Options or acceptance of the Option Offer may be made in relation to any Share Option that has lapsed.

**4. NOMINEE REGISTRATION**

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.

**5. ANNOUNCEMENTS**

- (a) By 6:00 p.m. on 8 August 2025 (or such later time and/or date as the Executive may in exceptional circumstances permit) which is the Closing Date, the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the expiry, revision or extension of the Offers. The Offeror must post an announcement on the Stock Exchange's website by 7:00 p.m. on the Closing Date stating the results of the Offers and whether the Offers has been revised or extended.

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

- (i) for which acceptances of the Offers have been received;
- (ii) held, controlled or directed by the Offeror, Mr. Cheng, Ms. Tai and/or parties acting in concert with any of them before the Offer Period; and

- (iii) acquired or agreed to be acquired during the Offer Period by the Offeror, Mr. Cheng, Ms. Tai and/or parties acting in concert with any of them.

The announcement must also include details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror, Mr. Cheng, Ms. Tai and/or parties acting in concert with any of them has 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, in good order in all respects, and which have been received by the Registrar by no later than 4:00 p.m. on the Closing Date, being the latest time and date for acceptance of the Offers, shall be included.
- (c) As required under the Takeovers Code, all announcements in respect of the Offers must be made in accordance with the requirements of the Takeovers Code and the Listing Rules.

## **6. RIGHT OF WITHDRAWAL**

- (a) Acceptance of the Offers tendered by any Independent Shareholder and Optionholders shall be irrevocable and cannot be withdrawn, except in the circumstances set out below.
- (b) If the Offeror is unable to comply with the requirements set out in the paragraph headed “Announcements” above, as set out in Rule 19.2 of the Takeovers Code, the Executive may require that the Independent Shareholders and the Optionholders who have tendered acceptances to the Offers be granted a right of withdrawal on terms that are acceptable to the Executive until the requirements set out in that rule are met.
- (c) In such case, if the Independent Shareholders or Optionholders withdraw their acceptances, the Offeror and Registrar shall, as soon as possible but in any event no later than 7 Business Days thereof, return by ordinary post the share certificate(s), and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the Shares and Share Options lodged with the Forms of Acceptance to the relevant Independent Shareholders and Optionholders.



**7. OVERSEAS INDEPENDENT SHAREHOLDERS AND OVERSEAS OPTIONHOLDERS**

The making of the Offers to the Overseas Independent Shareholders and the Overseas Optionholders may be prohibited or affected by the laws of the relevant jurisdictions in which they are resident. The Overseas Independent Shareholders and the Overseas Optionholders should obtain appropriate legal advice regarding the implications of the Offers in the relevant jurisdictions or keep themselves informed about and observe any applicable legal or regulatory requirements. It is the responsibility of the Overseas Independent Shareholders and the Overseas Optionholders who wish to accept the Offers to satisfy themselves as to the full observance of the laws and regulations of all relevant jurisdictions in connection with the acceptance of the Offers (including but not limited to the obtaining of any governmental, exchange control or other consents and any registration or filing which may be required and the compliance with all other necessary formalities, regulatory and/or legal requirements and the payment of any transfer or other taxes due by the accepting Overseas Independent Shareholders and Overseas Optionholders).

Acceptance of the Offers by any Overseas Independent Shareholders and Overseas Optionholders will be deemed to constitute a warranty by such person that such person is permitted under applicable laws and regulations to receive and accept the Offers, and any revision thereof, and such acceptance shall be valid and binding in accordance with all applicable laws and regulations. Any such person is recommended to seek professional advice on deciding whether or not to accept the Offers.

**8. GENERAL**

- (a) All communications, notices, Forms of Acceptance, share certificates, transfer receipts, other documents of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to settle the consideration payable under the Offers to be delivered by or sent to or from the Independent Shareholders and Optionholders will be delivered by or sent to or from them, or their designated agents by post at their own risk, and the Offeror, Mr. Cheng, Ms. Tai and/or parties acting in concert with any of them, the Company, Silverbricks Securities, Zhongtai International, Jin Yi Financial, the Independent Financial Adviser, the Registrar, the company secretary of the Company, any of their respective ultimate beneficial owners, directors, officers, agents, professional advisers and other parties involved in the Offers do not accept any liability for any loss or delay in postage or any other liabilities that may arise as a result thereof.
- (b) The provisions set out in the Forms of Acceptance form part of the terms of the Offers.
- (c) The accidental omission to despatch this Composite Document and/or Forms of Acceptance or any of them to any person to whom the Offers is made will not invalidate the Offers in any way.
- (d) The Offers is, and all acceptances will be, governed by and construed in accordance with the laws of Hong Kong.

- (e) Due execution of the Forms of Acceptance will constitute an irrevocable authority to the Offeror, Jin Yi Financial or such person or persons as the Offeror may direct to complete, amend and execute any document on behalf of the person or persons accepting the Offers and to do any other act that may be necessary or expedient for the purposes of vesting in the Offeror, or such person or persons as it may direct, the Shares or Share Options in respect of which such person or persons has/have accepted the Offers.
- (f) Acceptance of the Offers by any person or persons will be deemed to constitute a warranty by such person or persons to the Offeror and the Company that the Shares and Share Options under the Offers are free from all third party rights and Encumbrances whatsoever and together with all rights accruing or attaching thereto including the rights to receive in full all dividends and distributions 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.
- (g) References to the Offers in this Composite Document and the Forms of Acceptance shall include any revision and/or extension thereof.
- (h) The making of the Offers to the Overseas Independent Shareholders and Overseas Optionholders may be prohibited or affected by the laws of the relevant jurisdictions. The Overseas Independent Shareholders and Overseas Optionholders should inform themselves about and observe any applicable legal or regulatory requirements. It is the responsibility of each Overseas Independent Shareholder or Overseas Optionholders who wishes to accept the Offers to satisfy himself/herself/itself as to the full observance of the laws and regulations of all relevant jurisdictions in connection therewith, including, but not limited to the obtaining of any governmental, exchange control or other consents and any registration or filing which may be required and the compliance with all necessary formalities, regulatory and/or legal requirements. Such Overseas Independent Shareholders or Overseas Optionholders shall be fully responsible for the payment of any transfer or other taxes and duties due by such Overseas Independent Shareholders or Overseas Optionholders in respect of the relevant jurisdictions. The Overseas Independent Shareholders and Overseas Optionholders are recommended to seek professional advice on deciding whether or not to accept the Offers.
- (i) Acceptances of the Offers by any persons will be deemed to constitute a warranty by such persons that such persons are permitted under all applicable laws and regulations to receive and accept the Offers, and any revision thereof, and such acceptances shall be valid and binding in accordance with all applicable laws and regulations. Any such persons will be responsible for any such issue, transfer and other applicable taxes or other governmental payments payable by such persons.

- (j) Subject to the Takeovers Code, the Offeror reserves the right to notify any matter (including the making of the Offers) to all or any Independent Shareholders or Optionholders and with registered address(es) outside Hong Kong or whom the Offeror or Jin Yi Financial, knows to be nominees, trustees or custodians for such persons by announcement in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any such Independent Shareholders or Optionholders to receive or see such notice, and all references in this Composite Document to notice in writing shall be construed accordingly.
- (k) In making their decision, the Independent Shareholders and Optionholders must rely on their own examination of the Offeror, the Group and the terms of the Offers, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained herein, together with the Forms of Acceptance, shall not be construed as any legal or business advice on the part of the Offeror, Mr. Cheng, Ms. Tai and/or parties acting in concert with any of them, the Company or its ultimate beneficial owners, directors, officers, agents, professional advisers or any other persons involved in the Offers. The Independent Shareholders and the Optionholders should consult their own professional advisers for professional advices.
- (l) The English texts of this Composite Document and the Forms of Acceptance shall prevail over their respective Chinese texts for the purpose of interpretation in case of inconsistency.

**1. SUMMARY OF THE FINANCIAL INFORMATION OF THE GROUP**

Set out below is a summary of the audited financial information of the Group for each of the three financial years ended 31 December 2022, 2023 and 2024 as extracted from the relevant annual reports of Company:

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	<b>Year ended 31 December</b>		
	<b>2024</b>	<b>2023</b>	<b>2022</b>
	(Audited)	(Audited)	(Audited)
	HK\$'000	HK\$'000	HK\$'000
<b>Revenue</b>	250,771	265,640	512,672
Cost of sales	<u>(228,024)</u>	<u>(238,517)</u>	<u>(439,184)</u>
Gross profit	22,747	27,123	73,488
Other gains and (losses), net	573	2,908	7,846
Administrative and other operating expenses	10	(619)	1,841
Administrative and selling expenses	(35,183)	(41,189)	(69,216)
Reversal of impairment loss/ (impairment loss) on trade receivables	1,075	(1,473)	(1,575)
Impairment loss on amount due from a joint venture	(1,641)	—	—
Share-based payment expenses	<u>—</u>	<u>—</u>	<u>(144)</u>
<b>(Loss)/profit from operations</b>	(13,049)	(13,250)	12,240
Finance costs	(4,091)	(5,013)	(5,827)
Share of (loss)/profit of a joint venture	<u>(1,049)</u>	<u>(480)</u>	<u>713</u>
<b>(Loss)/profit before tax</b>	(18,189)	(18,743)	7,126
Income tax (expense)/credit	<u>(185)</u>	<u>230</u>	<u>(1,783)</u>
<b>(Loss)/profit for the year</b>	(18,374)	(18,513)	5,343
<b>Other comprehensive (loss)/income, net of tax:</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
<i>Exchange differences on translating foreign operations</i>	<u>(4)</u>	<u>(5)</u>	<u>193</u>
<b>Total comprehensive (loss)/income for the year</b>	<u>(18,378)</u>	<u>(18,518)</u>	<u>5,536</u>

	Year ended 31 December		
	2024	2023	2022
	(Audited)	(Audited)	(Audited)
	HK\$'000	HK\$'000	HK\$'000
<b>(Loss)/profit for the year attributable to:</b>			
Owners of the Company	(18,402)	(18,173)	4,452
Non-controlling interests	<u>28</u>	<u>(340)</u>	<u>891</u>
	<u>(18,374)</u>	<u>(18,513)</u>	<u>5,343</u>
<b>Total comprehensive (loss)/income for the year attributable to:</b>			
Owners of the Company	(18,406)	(18,178)	4,645
Non-controlling interests	<u>28</u>	<u>(340)</u>	<u>891</u>
	<u>(18,378)</u>	<u>(18,518)</u>	<u>5,536</u>
<b>(Loss)/earnings per share</b>			
Basic and diluted ( <i>HK cents</i> )	<u>(3.07)</u>	<u>(3.03)</u>	<u>0.74</u>

No dividend was paid or proposed by the Company during each of the three years ended 31 December 2022, 2023 and 2024.

Save as disclosed above, there were no items of any income or expenses which was material in respect of the condensed consolidated financial results of the Group for each of the financial years ended 31 December 2022, 2023 and 2024.

The consolidated financial statements of the Group for each of the years ended 31 December 2022, 2023 and 2024 were audited by McMillan Woods (Hong Kong) CPA Limited. No modified opinion, emphasis of matter or material uncertainty related to going concern was given by the auditors of the Group in respect of the Group's audited consolidated financial statements for the years ended 31 December 2022, 2023 and 2024.

There was no change in the Group's accounting policy during each of the years ended 31 December 2022, 2023 and 2024 which would result in the figures in its consolidated financial statements being not comparable to a material extent.

## 2. CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP

The Company is required to set out or refer to in this Composite Document the consolidated statement of financial position, consolidated statement of cash flows and any other primary statement as shown in the consolidated financial statements of the Group for the years ended 31 December 2022 (the “**2022 Financial Statements**”), 31 December 2023 (the “**2023 Financial Statements**”) and 31 December 2024 (the “**2024 Financial Statements**”), together with the 2022 Financial Statements and the 2023 Financial Statements, collectively as the “**Financial Statements**”), together with the notes to the relevant published accounts which are of major relevance to the appreciation of the above financial information.

The Financial Statements are set out in the following documents which have been published on the websites of the Company ([www.jancofreight.com](http://www.jancofreight.com)) and the Stock Exchange (<https://www.hkexnews.hk>), and can be accessed by the links below:

- The 2022 Financial Statements are set out from pages 41 to 114 in the annual report of the Company for the year ended 31 December 2022 (the “**Annual Report 2022**”), which was published on 30 March 2023:

<https://www1.hkexnews.hk/listedco/listconews/gem/2023/0330/2023033000883.pdf>

- The 2023 Financial Statements are set out from pages 43 to 116 in the annual report of the Company for the year ended 31 December 2023 (the “**Annual Report 2023**”), which was published on 16 April 2024:

<https://www1.hkexnews.hk/listedco/listconews/gem/2024/0416/2024041601315.pdf>

- The 2024 Financial Statements are set out from pages 44 to 112 in the annual report of the Company for the year ended 31 December 2024 (the “**Annual Report 2024**”), which was published on 24 April 2025:

<https://www1.hkexnews.hk/listedco/listconews/gem/2025/0424/2025042400057.pdf>

The Financial Statements (but not any other part of the aforementioned documents in which they respectively appear) are incorporated by reference into this Composite Document and form part of this Composite Document.

### 3. INDEBTEDNESS STATEMENT

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

#### (I) Bank and other borrowings

As at 31 May 2025, the Group had total bank borrowings of approximately HK\$13.1 million, of which (a) approximately HK\$12.5 million was secured by pledged bank deposits and corporate guarantee by the Company and its certain subsidiaries; and (b) approximately HK\$0.6 million was unsecured.

As at 31 May 2025, the Group did not have any other borrowings.

#### (II) Lease liabilities

As at 31 May 2025, the Group had lease liabilities of approximately HK\$32.7 million.

#### (III) Capital commitments

As at 31 May 2025, the Group did not have any capital commitments.

**(IV) Contingent liabilities**

As at 31 May 2025, the Group did not have any contingent liabilities.

The Directors confirm that, save as disclosed above, the Group did not have any mortgages, charges, debentures, loan capital, bank loans and overdrafts, debt securities or other similar indebtedness, lease liabilities or hire purchase commitments, liabilities under acceptances or acceptances credits, or any guarantees, or any contingent liabilities outstanding.

**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 31 December 2024, being the date to which the latest published audited financial statements of the Group were made up, up to and including the Latest Practicable Date.



## 1. RESPONSIBILITY STATEMENT

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

## 2. SHARE CAPITAL

As at the Latest Practicable Date:

	Shares	Amount (HK\$)
Authorised share capital:		
Ordinary shares of HK\$0.01 each	1,500,000,000	15,000,000
Issued and fully paid:		
Ordinary shares of HK\$0.01 each	600,000,000	6,000,000

All of the Shares currently in issue are fully paid up or credited as fully paid and rank *pari passu* in all respects with each other, including all rights in respect of dividends, voting rights and capital. The Shares are listed on the Stock Exchange and none of the securities of the Company is listed or dealt in on any other stock exchange and no such listing or permission to deal is being or is proposed to be sought.

No Shares have been issued by the Company since 31 December 2024 (being the date on which its latest published audited accounts were prepared) and up to and including the Latest Practicable Date.

As at 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, as at the Latest Practicable Date, the Company had no outstanding warrants, derivatives, options or other securities which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into Shares and the Company had not entered into any agreement to issue any Shares or warrants, derivatives, options or other securities which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into Shares.

### 3. DISCLOSURE OF INTERESTS

#### (a) Directors and chief executives' interests in securities

As at the Latest Practicable Date, the following Directors or chief executive of the Company have an interests in the Shares, underlying shares, debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests which the Director or chief executive of the Company was taken or deemed to have under such provisions of the SFO); (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Takeovers Code, to be disclosed; or (iv) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules to be notified to the Company and the Stock Exchange:

Name of shareholder	Capacity	Shares (long position)	Shareholding percentage (%)
Mr. Lo Wai Wah <sup>(Note 1)</sup>	Beneficial owner	2,150,000	0.36

*Note:* 1. As at the Latest Practicable Date, 1,500,000 Share Options at an exercise price of HK\$0.2066 with the exercise period until 23 June 2030 have been granted to Mr. Lo Wai Wah, an executive Director.

#### (b) Substantial shareholders

As at the Latest Practicable Date, so far is known to the Directors, the interests and short positions of Shareholders (not being Directors or the chief executives of the Company) in the Shares and underlying Shares which were notified to the Company and the Stock Exchange pursuant to Division 2 and 3 of Part XV of the SFO or required to be entered in the register maintained by the Company pursuant to section 336 of the SFO or required to be disclosed under the Takeovers Code were as follows:

Name of shareholder	Capacity	Shares (long position)	Shareholding percentage (%)
The Offeror	Beneficial owner <sup>(Note 1)</sup>	152,994,000	25.50
Mr. Cheng	Interest of a controlled corporation <sup>(Note 1)</sup>	152,994,000	25.50
	Beneficial owner <sup>(Note 2)</sup>	3,160,000	0.53
	Interest of spouse <sup>(Note 4)</sup>	170,300,000	28.38
Million Venture Holdings Limited <sup>(Note 3)</sup>	Beneficial owner <sup>(Note 3)</sup>	170,300,000	28.38
Ms. Tai <sup>(Note 2, 3 &amp; 4)</sup>	Interest of a controlled corporation <sup>(Note 3)</sup>	170,300,000	28.38
	Interest of spouse <sup>(Note 5)</sup>	156,154,000	26.03

*Notes:*

- (1) The Offeror is an investment holding company incorporated in the British Virgin Islands, which is wholly and beneficially owned by Mr. Cheng. Accordingly, Mr. Cheng is deemed to be interested in all the Shares held by the Offeror by virtue of the SFO.
- (2) Mr. Cheng beneficially owned 3,160,000 Shares as at the Latest Practicable Date.
- (3) Million Venture Holdings Limited is an investment holding company incorporated in the British Virgin Islands, which is wholly and beneficially owned by Ms. Tai. Accordingly, Ms. Tai is deemed to be interested in all the Shares held by Million Venture Holdings Limited by virtue of the SFO.
- (4) Mr. Cheng is the spouse of Ms. Tai and is deemed to be interested in all the Shares in which Ms. Tai is interested by virtue of the SFO.
- (5) Ms. Tai is the spouse of Mr. Cheng and is deemed to be interested in all the Shares in which Mr. Cheng is interested by virtue of the SFO.

Saved as disclosed above, as at the Latest Practicable Date, the Directors and the chief executive of the Company are not aware of any person (not being Directors or the chief executive of the Company) who had an interest or short position in the Shares and underlying Shares which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or required to be entered in the register maintained by the Company pursuant to section 336 of the SFO or required to be disclosed under the Takeovers Code.

**(c) Interests in the Offeror**

As at the Latest Practicable Date, none of the Company nor any of its Directors had any interest in the shares of the Offeror or convertible securities, warrants, options or derivatives in respect of the shares of the Offeror.

**(d) Additional disclosure of interests in the Company and arrangements in connection with the Offers**

As at the Latest Practicable Date:

- (1) save for the Purchase, none of the Directors have dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares during the Relevant Period;
- (2) none of the Directors and the Company have dealt for value in any shares of the Offeror or any convertible securities, warrants, options or derivatives in respect of the shares of the Offeror during the Relevant Period;
- (3) save for disclosed in paragraph 3(a) above, the Directors did not have any interest in the Shares, derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into the Shares;

- (4) save for Mr. Lo Wai Wah, who is intended to accept the Offers, the Directors did not have any beneficial shareholdings in the Company which would entitle them to accept or reject the Offers;
- (5) none of the subsidiary of the Company, pension fund of the Company or any of its subsidiaries or any 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 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, owned or controlled any Shares or any other convertible securities, warrants, options or derivatives in respect of the Shares and none of them had dealt for value in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company during the Relevant Period;
- (6) there was no arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code between any person and 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 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 and no such person had dealt for value in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company during the Relevant Period;
- (7) no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company were managed on a discretionary basis by fund managers connected with the Company and no such person had dealt for value in any relevant securities in the Company during the Relevant Period;
- (8) none of the Company or any Directors had borrowed or lent any Shares or any other convertible securities, warrants, options or derivatives in respect of the Shares; and
- (9) there was no understanding, arrangement, agreement or special deal between any Shareholder on one hand and the Company, its subsidiaries or associate companies on the other hand.

#### 4. MATERIAL LITIGATION

As at the Latest Practicable Date, none of the members of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was pending or threatened against any members of the Group.

## 5. MATERIAL CONTRACTS

There was no material contract (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by any member of the Group) entered into by any member of the Group after the date two years before the commencement of the Offer Period and ending on the Latest Practicable Date.

## 6. QUALIFICATION OF EXPERT

The following are the qualifications of the expert who has been named in this Composite Document or who has given its opinion or advice, which is contained in this Composite Document:

Name	Qualification
Dakin Capital Limited	a licensed corporation regulated by the SFC to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

## 7. DIRECTORS' SERVICE CONTRACTS

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 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. CONSENT

The expert named in the paragraph headed “6. QUALIFICATION OF EXPERT” above has given and has not withdrawn its written consent to the issue of the Composite Document with the inclusion therein of the opinions, reports, advice, recommendations and/or letters and/or the references to its name and/or opinions, reports, advice, recommendations, and/or letters in the form and context in which they respectively appear.

## 9. DOCUMENTS ON DISPLAY

Copies of the following documents will be available for inspection on the website of the Company at [www.jancofreight.com](http://www.jancofreight.com), the website of the Stock Exchange at <http://www.hkexnews.hk>, and the website of the SFC at [www.sfc.hk](http://www.sfc.hk) from the date of this Composite Document up to and including the Closing Date:

- (1) the amended and restated memorandum of association of the Company;
- (2) the second amended and restated memorandum of association of the Company;
- (3) the annual reports of the Company for the three years ended 31 December 2022, 2023 and 2024;

- (4) the “Letter from the Board”, the text of which is set out on pages 20 to 28 of this Composite Document;
- (5) the “Letter from the Independent Board Committee”, the text of which is set out on pages 29 to 30 of this Composite Document;
- (6) the “Letter from the Independent Financial Adviser”, the text of which is set out on pages 31 to 68 of this Composite Document;
- (7) the written consent from Dakin Capital Limited referred to in the section headed “8. Consent” in this Appendix; and
- (8) this Composite Document and the accompanying Forms of Acceptance.

#### 10. MISCELLANEOUS

- (1) As at the Latest Practicable Date, none of the Directors had been or would be given any benefit as compensation for loss of office or otherwise in connection with the Offers.
- (2) As at the Latest Practicable Date, there was no agreement or arrangement between any Director and any other person which is conditional on or dependent upon the outcome of the Offers or otherwise connected with the Offers.
- (3) As at the Latest Practicable Date, there was no material contracts entered into by the Offeror in which any Director has a material personal interest.
- (4) Please see the section headed “2. MARKET PRICES” in the “General Information of the Offeror” set out in Appendix IV to this Composite Document for the closing price of the Shares quoted on the Stock Exchange on (i) the last day on which trading took place in each of the calendar months during the Relevant Period; (ii) the Last Trading Day; and (iii) the Latest Practicable Date.
- (5) The registered office of the Company is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
- (6) The head office and principal place of business of the Company in Hong Kong is situated at Unit 1608, 16/F, Tower A, Manulife Financial Centre, No. 223 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong.
- (7) The registered office of Dakin Capital Limited is situated at Suite 3111A, 31/F, Tower 2, Lippo Centre, 89 Queensway, Hong Kong.

## 1. RESPONSIBILITY STATEMENT

As at the Latest Practicable Date, the directors of the Offeror are Mr. Cheng Hon Yat and Ms. Tai Choi Wan Noel. The directors of the Offeror jointly and severally accept full responsibility for the accuracy of information contained in this Composite Document (other than any information relating to the Group and the Directors) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading.

## 2. MARKET PRICES

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

<b>Date</b>	<b>Closing price per Share (HK\$)</b>
31 Dec 2024	0.051
28 Jan 2025	0.072
28 Feb 2025	0.055
31 Mar 2025	0.065
22 Apr 2025 ( <i>being the Last Trading Day</i> )	0.065
30 Apr 2025	0.065
30 May 2025	0.065
30 June 2025	0.084
16 July 2025 ( <i>being the Latest Practicable Date</i> )	0.082

Source: [https://www.hkex.com.hk/Market-Data/Securities-Prices/Equities/Equities-Quote?sym=8035&sc\\_lang=en](https://www.hkex.com.hk/Market-Data/Securities-Prices/Equities/Equities-Quote?sym=8035&sc_lang=en)

During the Relevant Period, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.078 per Share on 2 April 2025 and 9 April 2025, 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.

## 3. INTERESTS IN THE COMPANY AND THE OFFEROR AND ARRANGEMENTS IN CONNECTION WITH THE OFFERS

As at the Latest Practicable Date:

- (a) save for the 326,454,000 Shares held by the Offeror and parties acting in concert with it, none of the members of the Offeror, Mr. Cheng, Ms. Tai and/or parties acting in concert with any of them owned or had control or direction over or have any interest in any voting rights or rights over the Shares or convertible securities, warrants, options of the Company or any derivatives in respect of such securities;



- (b) there was no arrangement of the kind referred to in the Note 8 to Rule 22 of the Takeovers Code which existed between the Offeror, the Offeror's associates (as defined under the Takeovers Code) or any person acting in concert with the Offeror and any other person;
- (c) there were no agreements or arrangements to which any of the members of the Offeror, Mr. Cheng, Ms. Tai, and/or parties acting in concert with any of them is a party which relates to circumstances in which the Offeror may or may not seek to invoke a condition to the Offers;
- (d) none of the members of the Offeror, Mr. Cheng, Ms. Tai, and/or parties acting in concert with any of them had borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code including shares, warrants, options, derivatives or convertible securities) in the Company;
- (e) none of the members of the Offeror, Mr. Cheng, Ms. Tai, and/or parties acting in concert with any of them had received any irrevocable commitment to accept or reject the Offers;
- (f) save for the payment of HK\$7,649,700 under the Purchase, there is no consideration, compensation or benefit in whatever form paid or to be paid by the Offeror, Mr. Cheng, Ms. Tai, or any parties acting in concert with any of them to either of the sellers under the Purchase, their ultimate beneficial owners or any party acting in concert with any of them in connection with the Purchase;
- (g) there was no agreement, arrangement or understanding (including any compensation arrangement) existing between the Offeror, Mr. Cheng, Ms. Tai, and/or parties acting in concert with any of them and any Directors, recent Directors, Shareholders or recent Shareholders having any connection with or dependence upon the Offers;
- (h) there is no understanding, arrangement or agreement or special deal (as defined in Rule 25 of the Takeovers Code) between the Offeror, Mr. Cheng, Ms. Tai, and/or any party acting in concert with any of them and (i) the sellers under the Purchase, their ultimate beneficial owners or any party acting in concert with any of them in connection with the Purchase or (ii) any Shareholders;
- (i) no benefit (other than statutory compensation) will be given to any Director as compensation for loss of office or otherwise in connection with the Offers; and
- (j) there was no agreement, arrangement or understanding that any securities of the Company, acquired in pursuance of the Offers would be transferred, charged or pledged to any other persons. Jin Yi Financial did not have any interest in the Shares, options, derivatives, warrants or other securities convertible into Shares.

#### 4. DEALINGS IN SECURITIES AND ARRANGEMENTS IN RELATION TO DEALINGS

None of the Offeror, Mr. Cheng, Ms. Tai, and parties acting in concert with any of them had dealt for value in any Shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities during the Relevant Period, save for the following transactions:

Date of transaction	Name	No. of Shares Transacted	Transaction price per Share	Approximate %	Purchase/sell	On exchange/ off exchange
13 February 2025	Mr. Cheng	50,000	0.060	0.01	Purchase	On exchange
19 February 2025	Mr. Cheng	50,000	0.060	0.01	Purchase	On exchange
26 February 2025	Mr. Cheng	10,000	0.055	0.00	Purchase	On exchange
10 April 2025	Mr. Cheng	50,000	0.065	0.01	Sell	On exchange
22 April 2025	Offeror	152,994,000	0.050	25.50	Purchase	On exchange

During the Relevant Period:

- (a) save for the transactions above, none of the members of the Offeror, Mr. Cheng, Ms. Tai and/or parties acting in concert with any of them has dealt in any Shares, warrants, options, derivatives or other securities convertible into Shares;
- (b) save for the transactions above, none of the director(s) of the Offeror had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares; and
- (c) there were no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror, Mr. Cheng, Ms. Tai and/or parties acting in concert with any of them had borrowed or lent.

## 5. CONSENT AND QUALIFICATION OF PROFESSIONAL ADVISERS

The followings are the name and the qualification of the professional advisers whose letters, opinions or advice are contained or referred to in this Composite Document:

Name	Qualifications
Jin Yi Financial Group Limited	a corporation licensed by the SFC to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 9 (asset management) regulated activities under the SFO
Silverbricks Securities Company Limited	a corporation licensed by the SFC to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts) and Type 6 (advising on corporate finance) regulated activities under the SFO
Zhongtai International Capital Limited	a corporation licensed by the SFC to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

Jin Yi Financial, Silverbricks Securities, and Zhongtai International have given and have not withdrawn their written consent to the issue of this Composite Document with the inclusion herein of their letter, opinions or advices and references to their name in the form and context in which they appear.

As at the Latest Practicable Date, Jin Yi Financial, Silverbricks Securities, and Zhongtai International did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

## 6. GENERAL

As at the Latest Practicable Date:

- (a) The registered office of the Offeror was situated at Sea Meadow House, (P.O. Box 116), Road Town, Tortola, British Virgin Islands and the correspondence address of Mr. Cheng, the director and sole shareholder of the Offeror, was Office Nos. 1402–1403, 14/F, Tower 2, Admiralty Centre, No 18 Harcourt Road, Hong Kong.
- (b) The registered office of Jin Yi Financial was situated at Office Nos. 1402–1403, 14/F, Tower 2, Admiralty Centre, No 18 Harcourt Road, Hong Kong.
- (c) The registered office of Silverbricks Securities was situated at Rooms 1601–07, 16/F, Nan Fung Tower, 88 Connaught Road Central, Central, Hong Kong.

- (d) The registered office of Zhongtai International was situated at 19/F, Li Po Chun Chambers, 189 Des Voeux Road Central, Central, Hong Kong.
- (e) The Offeror was wholly owned by Mr. Cheng. The principal members of the Offeror, and/or parties acting in concert with any of it were the Offeror, Mr. Cheng and Ms. Tai and the correspondence address of Ms Tai, the director of the Offeror, was Office Nos. 1402–1403, 14/F, Tower 2, Admiralty Centre, No 18 Harcourt Road, Hong Kong.
- (f) In the event of inconsistency, the English texts of this Composite Document and the Forms of Acceptance shall prevail over their respective Chinese texts.

## **7. DOCUMENTS ON DISPLAY**

Copies of the following documents are available for inspection on the website of the SFC (<http://www.sfc.hk>) from the date of this Composite Document up to and including the Closing Date:

- (a) the memorandum of association and articles of association of the Offeror;
- (b) the Letter from Jin Yi Financial, the text of which is set out on pages 9 to 19 of this Composite Document;
- (c) the written consents as referred to in the section headed “5. CONSENT AND QUALIFICATION OF PROFESSIONAL ADVISERS” in this Appendix IV; and
- (d) this Composite Document and the accompanying Forms of Acceptance.