THIS COMPOSITE DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of the Offer, this Composite Document and/or the accompanying Acceptance Form or as to 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 SG Group Holdings Limited, you should at once hand this Composite Document and the accompanying Acceptance Form to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

This Composite Document should be read in conjunction with the accompanying Acceptance Form, the contents of which form part of the terms and conditions of the Offer.

Hong Kong Weiye Software Co., Limited
香港偉業軟件股份有限公司
(Incorporated in Hong Kong with limited liability)

SG Group Holdings Limited
樺欣控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1657)

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

Joint financial advisers to the Offeror

DL Securities (HK) Limited

Dakin Capital Limited

Independent Financial Adviser to the Independent Board Committee

Sorrento Capital Limited

Unless the context otherwise requires, 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 DL Securities containing, among other things, details of the terms of the Offer, is set out on pages 10 to 25 of this Composite Document.

A letter from the Board is set out on pages 26 to 33 of this Composite Document. A letter from the Independent Board Committee is set out on pages 34 to 35 of this Composite Document. A letter from the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders, is set out on pages IFA-1 to IFA-25 of this Composite Document.

The procedures for acceptance and settlement of the Offer are set out in Appendix I to this Composite Document and in the accompanying Acceptance Form. Acceptance Form of the Offer must be received by the Hong Kong Share Registrar, Boardroom Share Registrars (HK) Limited, at Room 2103B, 21st Floor, 148 Electric Road, North Point, Hong Kong by no later than 4:00 p.m. on Friday, 14 August 2026 (Hong Kong time) (or such later time and/or date as the Offeror may determine and the Offeror and the Company may jointly announce with the consent of the Executive in accordance with the Takeovers Code).

Any persons including, without limitation, custodians, nominees and trustees, who would, or otherwise intend to, forward this Composite Document and/or the accompanying Acceptance Form to any jurisdiction outside Hong Kong should read the section headed "IMPORTANT NOTICE" in this Composite Document before taking any action. It is the responsibility of each Overseas Shareholder who wish to accept the Offer to satisfy himself, herself or itself as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer, including the obtaining of any governmental, exchange control or other consents and any registration or filing which may be required or the compliance with other necessary formalities, or regulatory and/or legal requirements and the payment of any transfer or other taxes or other required payments due from such Overseas Shareholder in respect of such jurisdictions. Overseas Shareholders are advised to seek professional advice on deciding whether to accept the Offer.

This Composite Document will remain on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.jcfash.com as long as the Offer remains open.

24 July 2026

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The expected timetable set out below is indicative only and may be subject to changes. Further announcement(s) will be made in the event of any changes to the timetable as and when appropriate. All time and date references contained in this Composite Document and the accompanying Acceptance Form refer to Hong Kong time and dates.

Event(s)	**Time & Date**
Despatch date of this Composite Document and the accompanying Acceptance Form and commencement date of the Offer *(Note 1)*	Friday, 24 July 2026
Offer opens for acceptance *(Note 1)*	Friday, 24 July 2026
Latest time and date for acceptance of the Offer *(Notes 2, 3 and 5)*	by 4:00 p.m. on Friday, 14 August 2026
Closing Date *(Notes 3 and 5)*	Friday, 14 August 2026
Announcement of the results of the Offer (or its extension or revision, if any) on the website of the Stock Exchange *(Notes 3 and 5)*	no later than 7:00 p.m. on Friday, 14 August 2026
Latest date for posting of remittances in respect of valid acceptances received under the Offer *(Notes 4 and 5)*	Tuesday, 25 August 2026

Notes:

1. The Offer, which is 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, unless the Offeror decides to revise or extend the Offer in accordance with the Takeovers Code. Acceptances of the Offer shall be irrevocable and not capable of being withdrawn, except in the circumstances set out in the paragraph headed "6. Right of Withdrawal" in Appendix I to this Composite Document.

2. 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 (as set out in the paragraph headed "1. Procedures for Acceptance of the Offer" in Appendix I to this Composite Document) for causing instructions to be made to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures.

3. In accordance with the Takeovers Code, the Offer must initially be open for acceptance for at least 21 days after the date of this Composite Document. The latest time and date for acceptance of the Offer is 4:00 p.m. on Friday, 14 August 2026 unless the Offeror revises or extends the Offer in accordance with the Takeovers Code. The Offeror and the Company will jointly issue an announcement through the website of the Stock Exchange no later than 7:00 p.m. on the Closing Date stating whether the Offer has been extended, revised or expired. In the event that the Offeror decides to revise or extend the Offer, all Independent Shareholders, whether or not they have already accepted the Offer, will be entitled to accept the revised Offer under the revised terms. The revised Offer must be kept open for at least 14 days after the date of the revised offer document(s) and shall not close earlier than the Closing Date.

4. Remittances in respect of the cash consideration (after deducting the seller's ad valorem stamp duty) payable for the Offer Shares tendered under the Offer will be despatched to the Independent Shareholders accepting the Offer by ordinary post at their own risk as soon as possible, but in any event no later than seven (7) Business Days after the date of receipt by the Hong Kong Share Registrar of all relevant documents required to render such acceptance complete and valid in accordance with the Takeovers Code.

5. If there is a tropical cyclone warning signal number 8 or above, or a "black rainstorm warning signal" or "extreme conditions" as announced by the Hong Kong Government:

   (a) in force in Hong Kong at any local time before 12:00 noon but no longer in force at or after 12:00 noon on the latest date for acceptance of the Offer under Rule 15.1 of the Takeovers Code, any publication date of a closing announcement under Rule 19.1 of the Takeovers Code or the latest date for posting of remittances for the amounts due under the Offer in respect of valid acceptances, these dates, as the case may be, will remain on the same Business Day; or

   (b) in force in Hong Kong at any local time at 12:00 noon and/or thereafter on the latest date for acceptance of the Offer under Rule 15.1 of the Takeovers Code, any publication date of a closing announcement under Rule 19.1 of the Takeovers Code or the latest date for posting of remittances for the amounts due under the Offer in respect of valid acceptances, these dates, as the case may be, will be rescheduled to the following Business Day which does not have any of those warnings or condition in force in Hong Kong at any local 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 acceptance of the Offer does not take effect on the date and time as stated above, the other dates mentioned above may be affected. The Offeror and the Company will notify the Independent Shareholders by way of joint announcement(s) on any change to the expected timetable as soon as practicable.

NOTICE TO THE OVERSEAS SHAREHOLDERS

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

It is the responsibility of any such Overseas Shareholders who wish to accept the Offer to satisfy himself, herself or itself as to the full observance of the laws and regulations of the relevant jurisdiction in connection with the acceptance of the Offer, including the obtaining of any governmental, exchange control or other consents and any registration or filing which may be required or the compliance with other necessary formalities, legal and/or regulatory requirements and the payment of any issue, transfer, cancellation or other taxes and duties due by such Overseas Shareholders in respect of the acceptance of the Offer in such jurisdictions.

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

The Offeror and the Offeror Concert Parties, the Company, DL Securities, Dakin Capital, the Independent Financial Adviser or any of their respective ultimate beneficial owners, directors, officers, agents, advisers and associates and any other person involved in the Offer shall be entitled to be fully indemnified and held harmless by the Overseas Shareholders for any taxes or duties as such persons may be required to pay. Please see the paragraphs headed "Overseas Shareholders" in the "Letter from DL Securities" and "7. Overseas Shareholders" in Appendix I to this Composite Document for further details.

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 Listing Rules, and/or the Takeovers Code.

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

"Acceptance Form"	the form of acceptance and transfer of the Offer Shares in respect of the Offer accompanying this Composite Document
"Acquisition"	the sale and purchase of the Sale Shares by the Offeror from the Sellers in accordance with the terms and conditions of the Share Purchase Agreement
"acting in concert"	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"	a business day is a day on which the Stock Exchange is open for the transaction of business
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"Closing Date"	Friday, 14 August 2026, being the closing date of the Offer, which is at least 21 days after the date of this Composite Document, or if the Offer is extended, any subsequent closing date of the Offer as may be determined by the Offeror and jointly announced by the Offeror and the Company in accordance with the Takeovers Code
"Company"	SG Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the Main Board of the Stock Exchange (stock code: 1657)
"Completion"	completion of the Acquisition in accordance with the terms and conditions of the Share Purchase Agreement
"Completion Date"	23 June 2026, being the date on which Completion took place

"Composite Document"	this composite offer and response document jointly issued by the Offeror and the Company to the Independent Shareholders in connection with the Offer in compliance with the Takeovers Code containing, among other things, details of the Offer (accompanied by the Acceptance Form) and the respective letters of advice from the Independent Board Committee and the Independent Financial Adviser
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Consideration"	the purchase price for the Acquisition (being HK$198,519,540 in aggregate and HK$8.282 per Share)
"controlling shareholder"	has the meaning ascribed to it under the Listing Rules
"Dakin Capital"	Dakin Capital Limited, a corporation licensed by the SFC to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being one of the joint financial advisers to the Offeror in respect of the Acquisition and the Offer
"Deferred Payment"	the remaining balance of Consideration of HK$61,000,000 to be paid to the Sellers within two months from the Completion Date
"Director(s)"	the director(s) of the Company from time to time
"DL Securities"	DL Securities (HK) Limited, a corporation licensed by the SFC to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being one of the joint financial advisers to the Offeror in respect of the Acquisition and the Offer
"Executive"	the Executive Director of the Corporate Finance Division of the SFC or any delegate(s) of the Executive Director
"Facility Agreement"	the loan facility agreement entered into between Shanghai Pudong Development Bank Co., Ltd. acting through its Hong Kong branch as the lender and the Offeror as the borrower on 26 May 2026
"Group"	the Company and its subsidiaries

"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"HKSCC"	Hong Kong Securities Clearing Company Limited
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Hong Kong Share Registrar"	Boardroom Share Registrars (HK) Limited, the Hong Kong branch share registrar and transfer office, at Room 2103B, 21st Floor, 148 Electric Road, North Point, Hong Kong
"Independent Board Committee"	the independent board committee of the Board (comprising of independent non-executive Directors, namely Mr. Lai Kwok Hung, Alex, Mr. Yeung Chuen Chow, Thomas and Mr. Cüneyt Bülent Bilâloğlu) which has been established to advise the Independent Shareholders in connection with the Offer and as to the acceptance of the Offer
"Independent Financial Adviser"	Sorrento Capital Limited, a corporation licensed by the SFC to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed by the Company, with the approval of the Independent Board Committee, to advise the Independent Board Committee and the Independent Shareholders in connection with the Offer
"Independent Shareholder(s)"	Shareholder(s) other than the Offeror and the Offeror Concert Parties
"Interest"	interest accruing on the Deferred Payment at 9.6% per annum for a period of two months from the Completion Date in the amount of HK$976,000
"Joint Announcement"	the announcement dated 4 June 2026 jointly issued by the Offeror and the Company in relation to, among others, the Share Purchase Agreement and the Offer, pursuant to Rule 3.5 of the Takeovers Code
"Last Trading Day"	22 May 2026, being the last full trading day of the Shares on the Stock Exchange before the suspension of trading in the Shares

"Latest Practicable Date"	21 July 2026, being the latest practicable date prior to the printing of this Composite Document for ascertaining certain information contained herein
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Loan Facility"	a loan facility granted by Shanghai Pudong Development Bank Co., Ltd. acting through its Hong Kong branch as the lender to the Offeror as the borrower in accordance with the terms of the Facility Agreement for financing the Offer
"Main Board"	the Main Board of the Stock Exchange
"Mr. Zha"	Mr. Zha Wenyu, the sole director of the Offeror and one of the directors of Sefon Software
"Offer"	the mandatory unconditional cash offer being made by DL Securities for and on behalf of the Offeror to acquire all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it) pursuant to Rule 26.1 of the Takeovers Code
"Offeror"	Hong Kong Weiye Software Co., Limited (香港偉業軟件股份有限公司), a company incorporated in Hong Kong with limited liability on 11 February 2026, which is legally, beneficially and ultimately wholly owned by Sefon Software
"Offeror Concert Parties"	any parties acting in concert with the Offeror under the definition of "acting in concert" under the Takeovers Code
"Offer Period"	has the meaning ascribed to it under the Takeovers Code which commenced on the date of the Joint Announcement and ends on the date on which the Offer closes or lapses
"Offer Price"	the price of HK$8.323 per Offer Share at which the Offer will be made in cash
"Offer Share(s)"	all of the issued Share(s), other than those already owned and/or agreed to be acquired by the Offeror and the Offeror Concert Parties

"Overseas Shareholder(s)"	Independent Shareholder(s) whose addresses, as shown on the register of members of the Company are outside Hong Kong
"Personal Guarantee"	has the meaning ascribed thereto under the section headed "The Share Purchase Agreement – Consideration" in the Letter from DL Securities in this Composite Document
"PRC" or "China"	the People's Republic of China, for the purpose of this composite document, shall exclude Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"Promissory Note"	the promissory note in the principal amount of the Deferred Payment with an interest rate of 9.6% per annum from the Completion Date to the date falling two months from the Completion Date issued by the Offeror on the Completion Date in favour of the Sellers regarding the Offeror's obligation to pay the Deferred Payment
"Relevant Period"	the period from 4 December 2025, being the date falling six months preceding the commencement of the Offer Period (i.e. 4 June 2026), up to and including the Latest Practicable Date
"Sale Share(s)"	the 23,970,000 Shares acquired by the Offeror from the Sellers pursuant to the Share Purchase Agreement, representing approximately 74.91% of the total issued Shares and the Seller's entire shareholding in the Company as at the date of the Share Purchase Agreement
"Sefon Group"	Sefon Software and its subsidiaries
"Sefon Software"	Chengdu Sefon Software Co., Ltd.* (成都四方偉業軟件股份有限公司), a limited liability company established under the laws of the PRC on 13 May 2014, which wholly and beneficially owns the entire issued share capital of the Offeror as at the Latest Practicable Date
"Seller A" or "Mr. Choi"	Mr. Choi King Ting, Charles, the chairman of the Board, an executive Director and the chief executive officer of the Company, who directly holds 970,000 Shares and indirectly, through Seller B, holds 23,000,000 Shares as at the date of the Share Purchase Agreement and prior to Completion

"Seller B" or "JC International"	JC Fashion International Group Limited, a company incorporated in the British Virgin Islands with limited liability, which is wholly owned by Seller A and directly holds 23,000,000 Shares as at the date of the Share Purchase Agreement and prior to Completion
"Sellers"	Seller A and Seller B
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) with nominal value of HK$0.01 each in the capital of the Company
"Share Charge"	the share charge entered into between the Offeror as the charger and Shanghai Pudong Development Bank Co., Ltd. acting through its Hong Kong branch as the chargee in respect of the Shares owned and to be owned by the Offeror as a result of acceptances under the Offer
"Shareholder(s)"	holder(s) of the Share(s)
"Share Purchase Agreement"	the sale and purchase agreement dated 25 May 2026 entered into between the Offeror and the Sellers (as amended and supplemented by the Supplemental Agreement dated 3 June 2026) in relation to the sale and purchase of the 23,970,000 Sale Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"substantial shareholder"	has the meaning ascribed to it under the Listing Rules
"Supplemental Agreement"	the supplemental agreement dated 3 June 2026 entered into between the Offeror and the Sellers in relation to the amendment of certain terms of the Share Purchase Agreement
"Takeovers Code"	the Hong Kong Code on Takeovers and Mergers
"%"	per cent

* *For identification purposes only*

德林證券
DL SECURITIES

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

24 July 2026

To the Independent Shareholders

Dear Sir or Madam

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

INTRODUCTION

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

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

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

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

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

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

The Independent Shareholders are strongly advised to consider carefully the information contained in the "Letter from the Board", the "Letter from the Independent Board Committee" and the "Letter from the Independent Financial Adviser", the accompanying Acceptance Form and the appendices which form part of this Composite Document and to consult their professional advisers if in doubt before reaching a decision as to whether or not to accept the Offer.

THE OFFER

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

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

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

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

Notes:

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

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

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

The Offer is extended to all Independent Shareholders in accordance with the Takeovers Code. The Offer Shares to be acquired under the Offer will be fully paid and free from all encumbrances together with all rights attached thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of despatch of this Composite Document.

The Offer is unconditional in all respects.

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

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

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

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

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

Comparison of value of the Offer Price

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

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

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

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

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

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

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

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

Highest and Lowest Trading Prices

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

Value of the Offer

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

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

Confirmation of financial resources

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

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

Effect of Accepting the Offer

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

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

Settlement

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

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

Stamp Duty

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

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

Taxation Advice

Independent Shareholders are recommended to consult their own professional advisers if in doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, the Offeror Concert Parties, the Company, DL Securities, Dakin Capital, the Independent Financial Adviser and (as the case may be) their respective ultimate beneficial owners, directors, officers, employees, advisers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

Overseas Shareholders

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

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

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

Dealing and interests in the Company's securities

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

INFORMATION OF THE GROUP

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

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

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

INFORMATION OF THE OFFEROR

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

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

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

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

Notes:

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

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

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

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

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

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

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

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

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

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

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

INTENTION OF THE OFFEROR IN RELATION TO THE GROUP

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

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

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

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

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

PROPOSED CHANGE TO THE BOARD COMPOSITION OF THE COMPANY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PUBLIC FLOAT AND MAINTENANCE OF THE LISTING OF THE SHARES

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

The Stock Exchange has stated that:

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

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

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

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

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

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

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

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

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

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

ACCEPTANCE AND SETTLEMENT

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

GENERAL

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

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

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Composite Document and the accompanying Acceptance Form, which form part of this Composite Document. You are reminded to carefully read the "Letter from the Board", the "Letter from the Independent Board Committee" and the "Letter from the Independent Financial Adviser" contained in this Composite Document and to consult your professional advisers, before deciding whether or not to accept the Offer.

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

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

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

SG Group Holdings Limited
樺欣控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1657)

Executive Directors:
Mr. Choi King Ting, Charles *(Chairman)*
Mr. Choi Ching Shing
Ms. Li Li Mei

Independent non-executive Directors:
Mr. Lai Kwok Hung, Alex
Mr. Yeung Chuen Chow, Thomas
Mr. Cüneyt Bülent Bilâloğlu

Registered office:
4th Floor, Harbour Place
103 South Church Street
P.O. Box 10240
Grand Cayman, KY1-1002
Cayman Islands

Head office and principal place of business in Hong Kong:
Unit B, 9/F
Mai Wah Industrial Building
1-7 Wah Sing Street
Kwai Chung
New Territories
Hong Kong

24 July 2026

To the Independent Shareholders

Dear Sir or Madam

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

INTRODUCTION

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

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

Completion is conditional upon the fulfillment or waiver (if applicable) of the conditions precedent as set out in the Share Purchase Agreement and described in the section headed "Conditions Precedent to Completion" of the Joint Announcement. Completion of the sale and purchase of the Sale Shares took place on 23 June 2026. The Consideration for the Acquisition was settled by the Offeror in cash of HK$137,519,540 and the Promissory Note in the principal amount of HK$61,000,000 to the Sellers.

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

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

Details of the terms of the Offer, the information of the Offeror and the intention of the Offeror in relation to the Group are set out in the "Letter from DL Securities" and Appendices I and IV to this Composite Document and the accompanying Acceptance Form.

The primary purpose of this letter is to provide you with information relating to, among other matters, information relating to the Group and the Offer.

THE OFFER

As at the Latest Practicable Date, there were a total of 32,000,000 Shares in issue and the Company does not have any outstanding options, warrants, derivatives or securities which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares. As at the Latest Practicable Date, there were no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company in issue other than the Shares.

As mentioned in the Letter from DL Securities of the Composite Document, DL Securities, for and on behalf of the Offeror and in compliance with the Takeovers Code, is making the Offer on the following basis:

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

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

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

Notes:

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

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

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

The Offer is extended to all Independent Shareholders in accordance with the Takeovers Code. The Offer Shares to be acquired under the Offer will be fully paid and free from all encumbrances together with all rights attached thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of despatch of this Composite Document.

The Offer is unconditional in all respects.

Further details of the Offer including, among other things, the value of the Offer, its extension to the Overseas Shareholders, effect of accepting the Offer, information on stamp duty, taxation, the terms and conditions and the procedures for acceptance and settlement and acceptance period are set out in the Letter from DL Securities and Appendices I and IV to this Composite Document and the accompanying Acceptance Form.

The Board has confirmed that, as at the Latest Practicable Date, (i) the Company has not declared any dividend and/or other distribution and/or other return of capital which remains unpaid; and (ii) it does not intend to declare, make or pay any dividend and/or other distribution and/or other return of capital before the closing, lapse, withdrawal or termination of the Offer (whichever is earlier).

Set out below is the shareholding structure of the Company (i) immediately prior to Completion; and (ii) immediately after Completion and before the Offer is made and as at the Latest Practicable Date, assuming there are no shareholding changes other than the Acquisition:

		Immediately prior to Completion		Immediately after Completion and before the Offer is made and as at the Latest Practicable Date		As at the Latest Practicable Date	
		Number of Shares	*Approximate % of issued Shares*	*Number of Shares*	*Approximate % of issued Shares*	*Number of Shares*	*Approximate % of issued Shares*
(A)	**Offeror and the Offeror Concert Parties (excluding the Sellers)** *(Note 1)*						
	Offeror *(Note 2)*	–	–	23,970,000	74.91	23,970,000	74.91
(B)	**Sellers** *(Note 3)*						
	Seller A (Mr. Choi)	970,000	3.03	–	–	–	–
	Seller B (JC International)	23,000,000	71.88	–	–	–	–
	Sub-total of the Shares held by the Offeror and the Offeror Concert Parties (including the Sellers)	**23,970,000**	**74.91**	**23,970,000**	**74.91**	**23,970,000**	**74.91**
(C)	**Other Shareholders** *(Note 4)*	**8,030,000**	**25.09**	**8,030,000**	**25.09**	**8,030,000**	**25.09**
Total		**32,000,000**	**100.00**	**32,000,000**	**100.00**	**32,000,000**	**100.00**

Notes:

1. Due to the Deferred Payment which will be settled after Completion, the Sellers are presumed to be acting in concert with the Offeror under Class (9) of the definition of "acting in concert" under the Takeovers Code until the full settlement of the Deferred Payment by the Offeror.

2. The Offeror is legally, beneficially and wholly owned by Sefon Software.

3. Mr. Choi directly owns 100% of JC International. Mr. Choi is deemed, or taken to be interested in, all the Shares held by JC International for the purpose of the SFO.

4. Mr. Lai Kwok Hung, Alex, an independent non-executive Director, owns 10,000 Shares or approximately 0.03% of the total issued Shares.

5. Certain percentage figures included in this table have been subject to rounding adjustments. Figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

INFORMATION ON THE OFFEROR AND ITS INTENTIONS IN RELATION TO THE GROUP

Your attention is drawn to the sections headed "Information of the Offeror" and "The Offeror's Intention on the Group" in the Letter from DL Securities set out in this Composite Document.

As at the Latest Practicable Date, the Offeror is directly wholly owned by Sefon Software, which is in turn controlled by Mr. Zha as to approximately 38.68%. Mr. Zha is the sole director of the Offeror and the chairman of the board of Sefon Software.

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

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

As at the Latest Practicable Date, save for the change(s) to the composition of the Board, details of which are set out in the paragraph headed "Proposed Change to the Board Composition of the Company" in the Letter from DL Securities in this Composite Document, the Offeror has no intention to make material changes to the employment of employees or other personnel of the Group.

It is intended that, except for Mr. Choi, who will be redesignated as a non-executive Director, all of the executive Directors and independent non-executive Directors (i.e. the Departing Directors) would resign with effect (i) after the publication of the closing announcement of the Offer, which is the earliest permitted time under the Takeovers Code, and (ii) the appointment of the new independent non-executive Directors.

The Company intends to take the following actions at the same time as the resignation of the Departing Directors becomes effective in order to continue to comply with the relevant requirements on board composition and board diversity under Chapter 3 of the Listing Rules and Rule 13.92 of the Listing Rules immediately after the publication of the closing announcement of the Offer:

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

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

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

The Company does not expect the resignation and/or re-designation of the existing Directors to have any material adverse impact on the Group's business and operations given that, (i) the Group's existing principal business operations will continue as usual, (ii) the Group's day-to-day operations are carried out by its existing management and operational teams, (iii) the proposed changes are principally changes at board level rather than changes to the Group's operating platform, and (iv) the Company expects that any transition in board responsibilities will be carried out in an orderly manner.

Despite that the proposed Directors may not have industry-specific experience in the exact industry segment in which the Group is currently engaged, the Company considers that the discharge of the duties of skill, care and diligence by Directors does not necessarily require each Director to possess sector-specific technical knowledge; the relevant assessment should take into account the Directors' overall capability and competence in providing Board-level management oversight, strategic direction, governance supervision, financial and internal control oversight and business development input. Based on the biographical details as set out in the paragraph headed "Proposed Change to the Board Composition of the Company" in the Letter from DL Securities in this Composite Document, the proposed Directors will be able to discharge their duties of director based on their experience as set out in their biographical details. In addition, they will also be supported by the Group's existing management team and relevant operational personnel who are familiar with the Group's day-to-day business operations and industry-specific matters.

The Board is pleased to note the intention of the Offeror in respect of the Group as disclosed. The Board is willing to cooperate with the Offeror for the best interests of the Company and its Shareholders as a whole.

PUBLIC FLOAT AND MAINTENANCE OF THE LISTING STATUS OF THE COMPANY

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

The Stock Exchange has stated that:

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

- a false market exists or may exist in the trading of the Shares; or
- an orderly market does not exist or may not exist;
- it will consider exercising its discretion to suspend dealings in the Shares; and

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

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

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

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

Further announcement(s) regarding the restoration of public float (if any) will be made by the Company as and when appropriate.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Pursuant to Rules 2.1 and 2.8 of the Takeovers Code, a board which receives an offer, or is approached with a view to an offer being made, must, in the interests of shareholders, establish an independent committee of the board to make a recommendation (i) as to whether the offer is fair and reasonable; and (ii) as to acceptance, and the members of the independent board committee should comprise all non-executive directors who have no direct or indirect interest in the offer.

An Independent Board Committee, comprising all of the three independent non-executive Directors, namely Mr. Lai Kwok Hung, Alex, Mr. Yeung Chuen Chow, Thomas and Mr. Cüneyt Bülent Bilâloğlu, has been established to advise and give a recommendation to the Independent Shareholders on whether the Offer is fair and reasonable and as to the acceptance of the Offer.

Sorrento Capital Limited, has been appointed with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in connection with the Offer and in particular as to whether the Offer is, or is not, fair and reasonable and as to their acceptance. The full text of the letter of advice from the Independent Financial Adviser to the Independent Board Committee is set out in the Letter from the Independent Financial Adviser in this Composite Document.

RECOMMENDATION

Your attention is drawn to (i) the Letter from the Independent Board Committee in this Composite Document, which contains its recommendation to the Independent Shareholders as to whether the Offer is fair and reasonable and as to their acceptance of the Offer; and (ii) the Letter from the Independent Financial Adviser in this Composite Document which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the Offer and the principal factors considered by it in arriving at its advice.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Composite Document. Further details on the terms and the procedures for acceptance of the Offer are set out in Appendix I Further Terms and Procedures for Acceptance of the Offer to this Composite Document and the accompanying Acceptance Form.

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

Yours faithfully
By Order of the Board
SG Group Holdings Limited
Choi King Ting, Charles
Chairman, Executive Director and
Chief Executive Officer

SG Group Holdings Limited
樺欣控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1657)

24 July 2026

To the Independent Shareholders

Dear Sir or Madam

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

INTRODUCTION

We refer to the composite offer and response document (the "**Composite Document**") jointly issued by the Company and the Offeror dated 24 July 2026, of which this letter forms part. Unless the context otherwise requires, terms used in this letter shall have the same meanings as those defined in the Composite Document.

We have been appointed by the Board to form the Independent Board Committee to consider the Offer and to advise the Independent Shareholders as to, in our opinion, whether or not the Offer is fair and reasonable and to make recommendation in respect of acceptance of the Offer.

Sorrento Capital Limited, has been appointed with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in connection with the Offer and in particular as to whether the Offer is, or is not, fair and reasonable and as to their acceptance. Details of its advice and recommendation, together with the principal factors and reasons which it has considered before arriving at such recommendation, are set out in the "Letter from the Independent Financial Adviser" in this Composite Document.

We also wish to draw your attention to the "Letter from DL Securities", the "Letter from the Board" and the additional information set out in the Appendices to this Composite Document and the accompanying Acceptance Form in respect of the terms of the Offer and the acceptance and settlement procedures for the Offer.

Having considered the terms of the Offer and the letter of advice and recommendations from the Independent Financial Adviser, we concur with the view of the Independent Financial Adviser and consider that the Offer is not fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we do not recommend the Independent Shareholders to accept the Offer. The Independent Shareholders are recommended to read the full text of the "Letter from the Independent Financial Adviser" set out in the Composite Document.

It has been noted that the price of the Shares has been traded substantially higher than the Offer Price, since the publication of the Joint Announcement up to the Latest Practicable Date. However, there is no guarantee that the Share price will or will not sustain and will or will not be higher than the Offer Price during and after the Offer Period. In view of the recent movements in the closing prices of the Shares, Independent Shareholders who wish to realise their investments in the Company are reminded to monitor the market price of the Shares during the Offer Period and should, having regard to their own circumstances, consider selling their Shares in the open market instead of accepting the Offer, if the net proceeds obtained from the sale of such Shares in the open market would be higher than the net proceeds from accepting the Offer. Notwithstanding our recommendations, 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 professional advice.

Furthermore, the Independent Shareholders who wish to accept the Offer are recommended to read carefully the procedures for accepting the Offer as detailed in this Composite Document and the accompanying Acceptance Form. If in any doubt, the Independent Shareholders should consult their own professional advisers for professional advice.

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

Mr. Lai Kwok Hung, Alex	**Mr. Yeung Chuen Chow, Thomas**	**Mr. Cüneyt Bülent Bilâloğlu**
Independent Non-executive Director	*Independent Non-executive Director*	*Independent Non-executive Director*

The following is the letter of advice from Sorrento Capital Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Offer which has been prepared for the purpose of inclusion in the Composite Document.

SORRENTO CAPITAL LIMITED
擎天資本有限公司

Room 1208, 12/F,
Wing On Centre,
111 Connaught Road Central,
Sheung Wan,
Hong Kong

24 July 2026

To the Independent Board Committee and the Independent Shareholders

Dear Sirs or Madams,

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

INTRODUCTION

We refer to our engagement to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Offer and the acceptance of which, particulars of which are set out in a composite offer and response document (the "**Composite Document**") dated 24 July 2026, in which this letter is reproduced. Unless the context requires otherwise, capitalised terms used in this letter shall have the same meanings as ascribed to them in the Composite Document.

On 25 May 2026, Hong Kong Weiye Software Co., Limited, as purchaser (the "**Offeror**"), Mr. Choi King Ting, Charles, as seller, (the "**Seller A**") and JC Fashion International Group Limited, as seller (the "**Seller B**", together with Seller A, the "**Sellers**") entered into the Share Purchase Agreement (as amended and supplemented by the Supplemental Agreement dated 3 June 2026) in relation to the sale and purchase of the Sale Shares, being 23,970,000 Shares, representing approximately 74.91% of the total issued Shares and the Sellers' entire shareholding in the Company as at the date of the Share Purchase Agreement for a total cash consideration of HK$198,519,540. Completion of the Share Purchase Agreement took place on 23 June 2026 pursuant to the terms and conditions of the Share Purchase Agreement after the conditions precedent under the Share Purchase Agreement being fulfilled.

Immediately before Completion, (i) none of the Offeror, its ultimate beneficial owners, its director and the Offeror Concert Parties (save for the Sellers) held any Shares; and (ii) the Sellers were interested in 23,970,000 Shares, i.e. the Sale Shares. Upon Completion, the Offeror and the Offeror Concert Parties owned a total of 23,970,000 Shares, representing approximately 74.91% of the total issued shares of the Company as at the date of the Joint Announcement and the Latest Practicable Date. Pursuant to Rules 26.1 of the Takeovers Code, the Offeror is required to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror and the Offeror Concert Parties) immediately after Completion.

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

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

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

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

Notes:

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

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

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

Further details of the terms and conditions of the Offer, including the procedures for acceptance of the Offer, are set out in the Composite Document.

As set out in the Letter from the Board, the Company has a total of 32,000,000 Shares in issue and as at the Latest Practicable Date and the Company does not have any outstanding options, warrants, derivatives or securities which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all of the non-executive Directors, namely, Mr. Lai Kwok Hung, Alex, Mr. Yeung Chuen Chow, Thomas and Mr. Cüneyt Bülent Bilâloğlu, who have no direct or indirect interest in the Offer (except Mr. Lai Kwok Hung, Alex who is interested in 10,000 Shares as at the Latest Practicable Date), has been established by the Company in accordance with Rule 2.1 and Rule 2.8 of the Takeovers Code to make recommendation to the Independent Shareholders as to whether the Offer is fair and reasonable and as to the acceptance of the Offer. We, Sorrento Capital Limited, have been appointed, with approval of the Independent Board Committee, as the independent financial adviser to the Independent Board Committee in respect of the Offer.

BASIS AND ASSUMPTIONS OF OUR OPINION

In formulating our opinion, we have relied on the accuracy of the information and representations contained in the Composite Document and have assumed that all information and representations made or referred to in the Composite Document as provided by the management of the Group, the executive Directors, and/or the Offeror were true at the time they were made and continue to be true as at the date of the Composite Document. We have also relied on our discussion with the management of the Group and the executive Directors regarding the Group and the Offer, including the information and representations contained in the Composite Document. We have also assumed that all statements of belief, opinion and intention made by the management of the Group, the executive Directors and the Offeror respectively in the Composite Document were reasonably made after due enquiry. We have no reason to suspect that any material facts have been omitted or withheld from the information contained or opinions expressed in the Composite Document nor to doubt the truth, accuracy and completeness of the information and representations provided by the management of the Group, the executive Directors and the Offeror. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Group, the Offeror and their respective associates nor have we carried out any independent verification of the information supplied. We have not considered the tax implications on the Independent Shareholders of their acceptances or non-acceptances of the Offer since these are particular to their own individual circumstances. In particular, the Independent Shareholders who are residents outside Hong Kong or subject to overseas taxes or Hong Kong taxation on securities dealings should consider their own tax position with regard to the Offer and, if in any doubt, should consult their own professional adviser. Shareholders will be notified as soon as possible of any material change on the information or to our opinion contained in this letter after the Latest Practicable Date throughout the Offer Period.

We are independent from and not connected with the Company, the Offeror, the Vendor, or any of their respective substantial shareholders, or any party acting, or presumed to be acting, in concert with any of them. Apart from the normal professional fees payable to us in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Company, the Offeror, the Vendor, or any of their respective substantial shareholders, or any party acting, or presumed to be acting, in concert with any of them. During the last two years, we have not been engaged as any financial adviser to the Company and the Offeror. Accordingly we considered suitable to give independent advice to the Independent Board Committee and the Independent Shareholders in respect of the Offer.

PRINCIPAL FACTORS AND REASONS CONCERNED

In considering the fairness and reasonableness of the terms of the Offer, we have taken into account the principal factors and reasons set out below:

(i) Review of financial performance/position of the Group

The Group is principally engaged in the supply of apparel products with design and sourcing services to fashion retailers and the provision of institutional catering. According to the annual reports of the Company for the year ended 30 April 2024 (the "**2024 Annual Report**") and 2025 (the "**2025 Annual Report**", collectively the "**Annual Reports**") and the interim report of the Company for the six months ended 31 October 2025 (the "**2025 Interim Report**"), the business segments of the Group are (i) supply of apparel products (influencer collaboration label and/or branded label) with designing and sourcing services to fashion retailers (the "**Apparel Segment**"); and (ii) provision of institutional catering to private institution (the "**Catering Segment**") which contributed less than 8% of revenue to the Group during each of the abovementioned year or period.

(a) Financial performance of the Group

Set out below is a summary of the consolidated financial information on the Group for each of (i) the three years ended 30 April 2025 as extracted from the Annual Reports; and (ii) the six months ended 31 October 2024 and 2025 as extracted from the 2025 Interim Report.

	For the six months ended 31 October		For the year ended 30 April		
	2025	2024	2025	2024	2023
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(unaudited)	*(unaudited)*	*(audited)*	*(audited)*	*(audited)*
Revenue	80,906	64,393	153,766	122,905	149,362
Cost of sales	(70,350)	(57,636)	(123,419)	(104,586)	(130,689)
Gross profit	10,556	6,757	30,347	18,319	18,673
Other income & Other gains and losses	517	1,105	(259)	(1,474)	(3,088)
Net impairment loss recognised on trade receivables	(42)	(1,690)	(2,126)	(1,381)	(275)
Administrative expenses	(8,878)	(8,081)	(16,676)	(17,176)	(17,707)
Selling and distribution expenses	(7,571)	(7,096)	(17,062)	(15,408)	(13,774)
Finance costs	(383)	(116)	(479)	(239)	(346)
Income tax credit	3	87	214	212	90
Loss for the year/period	(5,798)	(9,034)	(6,041)	(17,147)	(16,427)

Source: The Annual Reports and the 2025 Interim Report

Comparison for the six months ended 31 October 2025 versus the six months ended 31 October 2024

During the six months ended 31 October 2025, the Group recorded a revenue of approximately HK$80.91 million, representing an increase of approximately 25.66% as compared with that of approximately HK$64.39 million for the six months ended 31 October 2024 mainly due to an increase in the sales of womenswear from approximately HK$51.06 million for the six months ended 31 October 2024 to approximately HK$66.72 million for the six months ended 31 October 2025 and apparel products to major customers headquartered in the United Kingdom ("**UK**"). The Group recorded a gross profit of approximately HK$10.56 million for the six months ended 31 October 2025, representing an increase of approximately 56.21%, from approximately HK$6.76 million for the six months ended 31 October 2024 mainly due to the increase in revenue and improvement in gross profit margin as a result of the Group's continuous effort in optimization of both customer and supplier portfolio.

Administrative expenses of the Group primarily consisted of employee benefit expenses, entertainment expenses, travelling expenses, depreciation of property and equipment and right-of-use assets, legal and professional fees and other miscellaneous general and administrative expenses. Such expenses increased from approximately HK$8.08 million for the six months ended 31 October 2024 to approximately HK$8.88 million for the six months ended 31 October 2025, representing an increase of approximately 9.90% mainly attributable to the increase in staff cost to cope with the new market and new customers.

Selling and distribution expenses of the Group increased from approximately HK$7.10 million for the six months ended 31 October 2024 to approximately HK$7.57 million for the six months ended 31 October 2025, representing an increase of approximately 6.62% mainly attributable to the increase in staff cost for service enhancement to better fulfill the Group's commitments to the existing and potential customers.

As a result of the above and particularly the increase in revenue and gross profit margin, the Group recorded a decrease in loss for the period of approximately 35.77% from approximately HK$9.03 million for the six months ended 31 October 2024 to approximately HK$5.80 million for the six months ended 31 October 2025.

Comparison for the year ended 30 April 2025 versus the year ended 30 April 2024

During the year ended 30 April 2025, the Group recorded a revenue of approximately HK$153.77 million, representing an increase of approximately 25.11% as compared with that of approximately HK$122.91 million for the year ended 30 April 2024 mainly due to (i) an increase in the sales of womenswear from approximately HK$82.26 million for the year ended 30 April 2024 to approximately HK$121.51 million for the year ended 30 April 2025 and apparel products to major customers headquartered in the UK and a new customer targeting United States of America ("**US**") market; and (ii) increase in revenue from Catering Segment by approximately HK$9.30 million from approximately HK$1.86 million for the year ended 30 April 2024. The Group recorded a gross profit of approximately HK$30.35 million for the year ended 30 April 2025, representing an increase of approximately 65.67%, from approximately HK$18.32 million for the year ended 30 April 2024 mainly due to the increase in revenue and improvement in gross profit margin as a result of the Group's continuous effort in optimization of both customer and supplier portfolio.

Administrative expenses of the Group primarily consisted of employee benefit expenses, entertainment expenses, travelling expenses, depreciation of property and equipment and right-of-use assets, legal and professional fees and other miscellaneous general and administrative expenses. Such expenses decreased from approximately HK$17.18 million for year ended 30 April 2024 to approximately HK$16.68 million for the year ended 30 April 2025, representing a decrease of approximately 2.91% mainly attributable to the decrease in rental expenses in respect of short-term leases in relation to the Group's optimisation of back office team.

Selling and distribution expenses of the Group increased from approximately HK$15.41 million for year ended 30 April 2024 to approximately HK$17.06 million for the year ended 30 April 2025, representing an increase of approximately 10.71% mainly attributable to the increase in staff cost for service enhancement to better fulfill the Group's commitments to the existing and potential customers.

Finance costs of the Group increased from approximately HK$0.24 million for year ended 30 April 2024 to approximately HK$0.48 million for the year ended 30 April 2025, representing an increase of approximately 100.00% mainly due to the interests incurred on other borrowings obtained during the year with the Group's owned properties and investment properties pledged.

As a result of the above and particularly the increase in revenue and gross profit margin, the Group recorded a decrease in loss for the year of approximately 64.78% from approximately HK$17.15 million for the year ended 30 April 2024 to approximately HK$6.04 million for the year ended 30 April 2025.

Comparison for the year ended 30 April 2024 versus the year ended 30 April 2023

During the year ended 30 April 2024, the Group recorded a revenue of approximately HK$122.91 million, representing a decrease of approximately 17.71% as compared with that of approximately HK$149.36 million for the year ended 30 April 2023 mainly due to (i) a decrease in the sales of womenswear (particularly those branded label and influencer collaboration label) from approximately HK$120.13 million for the year ended 30 April 2023 to approximately HK$82.26 million for the year ended 30 April 2024 and apparel products to major customers headquartered in the UK; and (ii) sales discount granted to customers in Apparel Segment. During the year ended 30 April 2024, the Group commenced its new business in the Catering Segment. The Group recorded a gross profit of approximately HK$18.32 million for the year ended 30 April 2024, representing a decrease of approximately 1.87%, from approximately HK$18.67 million for the year ended 30 April 2023 mainly due to the decrease in revenue notwithstanding the improvement in gross profit margin.

Administrative expenses of the Group primarily consisted of employee benefit expenses, entertainment expenses, travelling expenses, depreciation of property and equipment and right-of-use assets, legal and professional fees and other miscellaneous general and administrative expenses. Such expenses decreased from approximately HK$17.71 million for year ended 30 April 2023 to approximately HK$17.18 million for the year ended 30 April 2024, representing a decrease of approximately 2.99% mainly attributable to the decrease in employee benefit expense and office supplies in relation to the Group's optimisation of back office team.

Selling and distribution expenses of the Group increased from approximately HK$13.78 million for year ended 30 April 2023 to approximately HK$15.41 million for the year ended 30 April 2024, representing an increase of approximately 17.91% mainly attributable to the increase in marketing expenses for the enhancement and diversification of influencer collaboration.

Finance costs of the Group decreased from approximately HK$0.35 million for year ended 30 April 2023 to approximately HK$0.24 million for the year ended 30 April 2024, representing a decrease of approximately 31.43% mainly due to decrease in interests incurred on bank borrowings.

As a result of the above, the Group recorded a loss for the year of approximately HK$17.15 million for the year ended 30 April 2024 representing an increase of approximately 4.38% as compared to the loss of approximately HK$16.43 million for the year ended 30 April 2023.

(b) Financial position of the Group

We have further summarised below the audited consolidated statements of financial positions of the Company as at 30 April 2024 and 30 April 2025 and the unaudited consolidated statements of financial positions of the Company as at 31 October 2025 respectively:

	As at 31 October	**As at 30 April**	
	2025	**2025**	**2024**
	HK$'000	*HK$'000*	*HK$'000*
	(unaudited)	*(audited)*	*(audited)*
Non-current assets			
Property, plant and equipment	12,581	13,528	15,944
Right-of-use assets	789	1,230	2,280
Investment properties	4,706	4,760	6,456
Intangible assets	–	514	1,982
Financial instrument at fair value through other comprehensive income ("**FVTOCI**")	–	–	–
	18,076	20,032	26,662
Current assets			
Inventories	7,968	476	45
Trade and other receivables	48,820	65,494	39,888
Tax recoverable	–	15	946
Financial assets at fair value through profit or loss ("**FVTPL**")	52	36	4,326
Bank balances and cash	23,372	30,439	32,430
	80,212	96,460	77,635
Total assets	98,288	116,492	104,297

	As at 31 October 2025	As at 30 April 2025	2024
	2025	2025	2024
	HK$'000	*HK$'000*	*HK$'000*
	(unaudited)	*(audited)*	*(audited)*
Non-current liabilities			
Lease liabilities	–	415	1,266
Deferred tax liabilities	10	95	338
	10	510	1,604
Current liabilities			
Contract liabilities	973	2,189	518
Trade and other payables	15,756	16,977	7,586
Lease liabilities	822	853	1,038
Bank borrowings	2,726	2,726	4,094
Other borrowings	–	10,000	–
Tax payables	211	127	113
	20,488	32,872	13,349
Total liabilities	20,498	33,382	14,953
Net assets	77,790	83,110	89,344

Source: The Annual Reports and the 2025 Interim Report

The non-current assets of the Group comprised mainly its property, plant and equipment and investment properties and current assets of the Group comprised mainly its trade and other receivables and bank balances and cash. The net assets of the Group decreased from approximately HK$89.34 million as at 30 April 2024 to approximately HK$83.11 million as at 30 April 2025 mainly due to increase in other borrowings by approximately HK$10.00 million and trade and other payables by approximately HK$9.39 million respectively. As discussed above, the Group pledged its properties and investment properties as collateral for other borrowings during the year ended 30 April 2025. The net assets of the Group further decreased to approximately HK$77.79 million as at 31 October 2025, mainly due to decrease in trade and other receivables and bank balances and cash.

Property, plant and equipment decreased from approximately HK$15.94 million as at 30 April 2024 to approximately HK$13.53 million as at 30 April 2025 and further to approximately HK$12.58 million as at 31 October 2025, mainly due to depreciation and impairment of leasehold improvement.

Trade and other receivables of the Group increased from approximately HK$39.89 million as at 30 April 2024 to approximately HK$65.49 million as at 30 April 2025 mainly due to increase in trade receivables by approximately HK$27.82 million (particularly those within credit period) which is in line with the increase in revenue during the year ended 30 April 2025. Trade and other receivables of the Group then decreased to approximately HK$48.82 million as at 31 October 2025 mainly due to decrease in trade receivables by approximately HK$13.17 million (particularly those within credit period) which is in line with the decrease in revenue during the six months ended 31 October 2025.

Trade and other payables of the Group increased from approximately HK$7.59 million as at 30 April 2024 to approximately HK$16.98 million as at 30 April 2025 mainly due to increase in trade payables by approximately HK$9.73 million (particularly those within credit period) during the year ended 30 April 2025. As advised by the Company, such increase was mainly due to increase in sales of the Group's products and more sourcing from suppliers on credit. Trade and other payables of the Group then slightly decreased to approximately HK$15.76 million as at 31 October 2025 mainly due to decrease in trade payables by approximately HK$1.34 million (particularly those within credit period) during the six months ended 31 October 2025.

Bank borrowings of the Group decreased from approximately HK$4.09 million as at 30 April 2024 to approximately HK$2.73 million as at 30 April 2025 and 31 October 2025 mainly due to repayment of bank borrowings.

Given the above, particularly (i) the Company has been operating at similar scale (in terms of revenue) and making loss for the past three financial years and the latest interim period; and (ii) the continuous decrease in net assets, we considered that the financial performance and position of the Group in near future is unlikely to be promising and the lack of growth driver to the Share price relating to the Group's financials has already been reflected in the historical Share prices. Hence, we have to review additional information such as other public information, outlook and prospect of the Group, trading data of the Shares in open market and comparison of valuation with industry peers to complete our assessment to the fairness and reasonableness of the terms of the Offer.

(ii) Business outlook and prospects of the Group

The Group is principally engaged in the supply of apparel products with design and sourcing services to fashion retailers and the provision of institutional catering. According to the Annual Reports and the 2025 Interim Report, over 90% of total revenue of the Group were attributable to the Apparel Segment. According to the Annual Reports and the 2025 Interim Report, the major product type of the Group was womenswear which represented approximately 67.96%, 85.21% and 89.00% of revenue of the Apparel Segment during each of the year ended 30 April 2024 and 2025 and the six months ended 31 October 2025 respectively. Geographically, the Group mainly carries out its businesses in Hong Kong and the PRC and recognises its revenue from external customers in US, UK, Canada, Germany, Hong Kong, Ireland and other places.

As mentioned in the 2025 Interim Report, the Board considered that the Group is subject to the global economic uncertainties and the increase of credit risk and the Group would continue to explore new business opportunities with the existing and potential customers in different regions and continue to strengthen its customized comprehensive apparel designing and sourcing services to better fulfill its commitments to the existing and potential customers. Meanwhile, the Group would continue to expand the peripheral business scope of fashion. The Company also advised that the Group would focus on development of its Apparel Segment and also continue to optimize (i) its display and promote sample products in showroom in Hong Kong, the PRC and the UK for customers' visits; (ii) e-promotion via online platforms tailored for individual customers; and (iii) explore the opportunities of the collaboration between the Group and international influencers to improve the Group's corporate image and recognition.

We noted from a research on global apparel market by Fortune Business Insights, a global consulting firm, that the global apparel market size is expected to grow by approximately 3.11% in 2026 as compared to 2025 and such industry growth is driven by evolving consumer preferences, fast fashion dynamics and omnichannel retail expansion across developed and emerging economies worldwide supported by population growth, rising disposable incomes in emerging economies, and increasing digital penetration. The women end-user segment is expected to dominated the global apparel market with a market share of approximately 41.03% in 2026 and is projected to retain its dominant position.

Although the global apparel market may remain expandable in future as mentioned in the market research above, we were advised by the Company that the Group has been facing (i) continuous economic slowdown as evidenced by the lower growth of gross domestic product of customer countries like US, UK and Germany in recent years; (ii) intense competition of the overall fashion retail and wholesale market which led to intention of customers to place less orders and/or in smaller quantity; and (iii) inflation and relative high interest rate in the abovementioned countries which may lead to pressure on its profit margin and recoverability of its trade receivables. According to the Annual Reports and the 2025 Interim Report, the gross profit margin of the Group decreased from approximately 19.7% for the year ended 30 April 2025 to approximately 13.1% for the six months ended 31 October 2025 and the Group made provision for impairment loss recognised on trade receivables particularly due to customers om US and UK. Given the scale of the Catering Segment has been small and new to the Group, the extent of its contribution to the Group may not be significant in near future. Therefore, we consider that the businesses of the Group will continue to face challenge and the profitability of which remains uncertain in near future.

Furthermore, as the Offeror intends to continue the Group's existing principal business and does not intend to introduce any major changes to the existing operations and business of the Group immediately after close of the Offer and will neither redeploy nor dispose of any of the assets (including fixed assets) of the Group other than in the ordinary course of business, we do not expect material change in the business outlook and prospect of the Group in near future.

(iii) Information and principal business of the Offeror

According to the Letter from DL Securities, the Offeror is a company incorporated in Hong Kong with limited liability and its principal activity is investment holding. As at the Latest Practicable Date, the Offeror is directly wholly owned by Sefon Software. Sefon Group is a PRC-based provider of big data and artificial intelligence products and services, offering software solutions across data collection, storage, analytics and visualization to customers in sectors including government, energy, transportation, finance and manufacturing sectors across China including Hong Kong. Mr. Zha has over 25 years of experience in the information technology and business management sectors. Mr. Zha joined Sefon Software in September 2016 and has been serving as the chairman of the board of Sefon Software since then. As at the Latest Practicable Date, Sefon Software is owned by Mr. Zha as to approximately 18.15%, six entities controlled by Mr. Zha as to a total of approximately 20.53%, 南威軟件股份有限公司 (transliterated as Linewell Software Co., Ltd. for identification purpose) as to approximately 11.90%, Mr. Xu Zhenyu as to approximately 5.30% and 42 minority shareholders as to a total of approximately 44.12%. For more details of the shareholding of Sefon Software and biography of Mr. Zha, please refer to the paragraphed headed "INFORMATION OF THE OFFEROR", "INTENTIONS OF THE OFFEROR IN RELATION TO THE GROUP" and "PROPOSED CHANGE TO THE BOARD COMPOSITION OF THE COMPANY" in the Letter from DL Securities.

Although Mr. Zha, Sefon Software and the Offeror do not have any background relating to apparel, fashion and catering as disclosed in the Letter from DL Securities, Mr. Zha has over 25 years of experience in the information technology (particularly via big data and artificial intelligence business of Sefon Software) and business management sectors which we believe that the Group may benefit from. As for the operation of principal business segments of the Group, we believe that the Mr. Zha can participate in the management with his knowledge in business management and work experience while leverage the expertise and experience of the existing senior management and technical staff of the Group in product design and development.

(iv) Intention of the Offeror in relation to the Group

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

The Acquisition represents a strategic opportunity for the Offeror and Sefon Software to diversify the revenue stream and business portfolio. The Offeror and Sefon Software intend to explore new industry sectors through strategic investments. Mr. Zha, with his extensive experience in business operations and client relations, will also assist the Group in establishing and maintaining business relationships to enhance the operation of the Group.

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

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

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

It is intended that, except for Mr. Choi, who will be redesignated as a non-executive Director, all of the executive Directors and independent non-executive Directors would resign with effect from the earliest time permitted under the Takeovers Code.

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

Save for the potential change(s) to the composition of the Board, as at the Latest Practicable Date, the Offeror has no intention to make material changes to the employment of the employees or other personnel of the Group. However, the Offeror reserves the right to make any changes that they deem necessary or appropriate to the benefit of the Group.

As set out in the Letter from DL Securities, the Offeror intends to maintain the listing of the Shares on the Stock Exchange following the close of the Offer. The Offeror does not intend to avail itself of any powers of compulsory acquisition of any Shares outstanding after the close of the Offer.

(v) The Offer Price and historical Share price performance

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

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

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

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

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

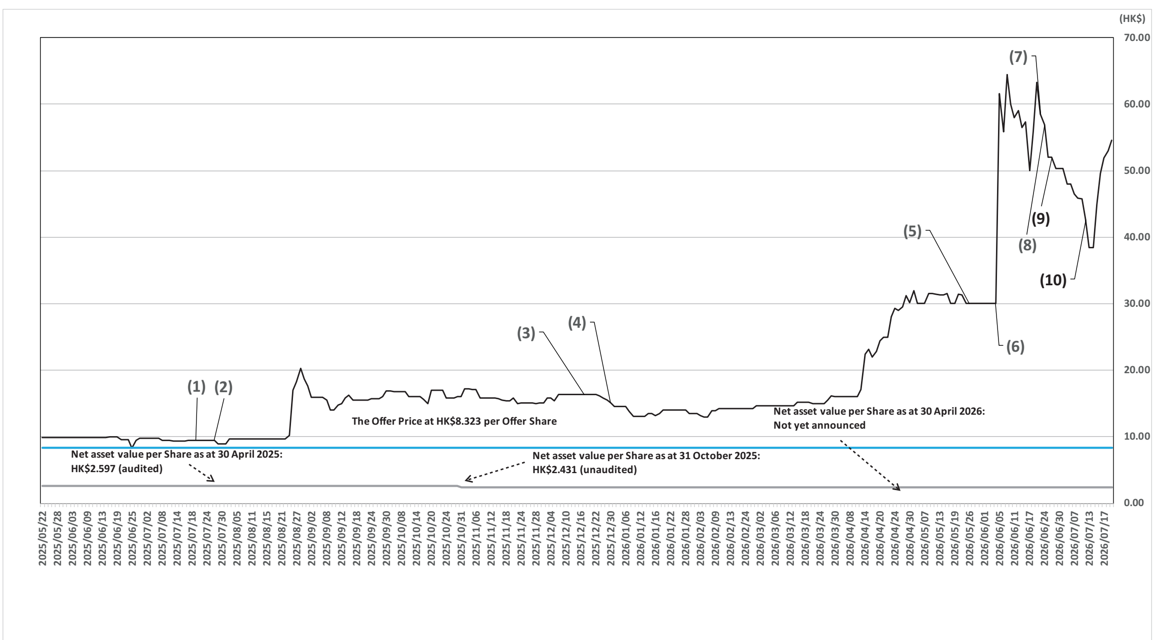
v. a discount of approximately 70.21% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day of HK$27.940 per Share;

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

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

As we are of the view that the price performance of the Shares during the past full year can sufficiently and fairly reflect the market perception on the Company's performance, outlook and effects of certain specific events without the possible effect from the announcements of the Offer, which may be relevant to our analysis, we have plotted the closing price level of the Shares traded on the Stock Exchange for a 12 month period ("**Pre-Announcement Period**") from 22 May 2025 to 22 May 2026, being the date immediately before the trading halt in the morning trading session on 26 May 2026, and further up to the Latest Practicable Date (the "**Post-Announcement Period**", collectively the "**Review Period**") for the purpose of further comparing the Offer Price of HK$8.323 per Share with the market price of the Shares as follows:

Closing price of the Shares during the Review Period



The numbers (1) to (10) in the chart above represent the announcements below:

1. Announcement of the profit alert in relation to the results for the year ended 30 April 2025 dated 21 July 2025;

2. Announcement of the annual results for the year ended 30 April 2025 dated 29 July 2025;

3. Announcement of the profit alert in relation to the results for the six months ended 31 October 2025 dated 17 December 2025;

4. Announcement of the unaudited results for the six months ended 31 October 2025 dated 30 December 2025;

5. Announcement of the trading halt dated 26 May 2026;

6. Joint Announcement in relation to, among others, the Acquisition, the Offer and resumption of trading in the Shares dated 4 June 2026;

7. Joint Announcement in relation to, among others, the Completion and the Offer dated 23 June 2026;

8. Announcement in relation to the appointment of independent financial adviser in respect of the Offer dated 24 June 2026;

9. Announcement of the delay in despatch of the Composite Document dated 25 June 2026; and

10. Announcement of the delay in despatch of the Composite Document dated 10 July 2026.

Source: The Stock Exchange

(a) Pre-Announcement Period

As shown in the chart above, closing prices of the Shares were above the Offer Price during the entire Pre-Announcement Period. From the beginning of the Pre-Announcement Period to 25 August 2025, the closing prices of the Shares generally fluctuated between HK$8.34 and HK$10.20 per Share. During this period, the Company announced (i) the profit alert in relation to the results for the year ended 30 April 2025 on 21 July 2025; and (ii) the annual results for the year ended 30 April 2025 on 29 July 2025.

On 26 August 2025, the closing price of the Shares surged to HK$17.00 per Share and further to HK$20.28 per Share on 28 August 2025 and has then fluctuated between HK$13.00 and HK$20.28 per Share until 13 April 2026. During this period, the Company announced (i) the profit alert in relation to the results for the six months ended 31 October 2025 on 17 December 2025; and (ii) the unaudited results for the six months ended 31 October 2025 on 30 December 2025.

On 14 April 2026, the closing price of the Shares surged to HK$22.40 per Share and further to HK$31.98 per Share on 4 May 2026 and has then fluctuated between HK$30.00 and HK$31.50 per Share until 22 May 2026. During this period, the Company did not make any announcements. As confirmed by the Directors, the Directors were not aware of any specific event that caused the substantial change in prices of the Shares during this period.

Since 9:00 a.m. on 26 May 2026, trading of the Shares was halted pending the release of an announcement by the Company in relation to inside information of the Company and pursuant to Takeovers Code. Before the time of trading halt, the closing price of the Shares was HK$30.00 per Share.

Having considered the public information of the Company and Share prices during the Pre-Announcement Period, we consider that the general upward price trend of the Shares during the Pre-Announcement Period was mainly due to market reaction to the updates to financial performance and position of the Company and the then market sentiment.

(b) Post-Announcement Period

At 9:00 a.m. on 5 June 2026, trading of the Shares was resumed with the closing price of the Shares reached HK$61.60 per Share after the publication of the Joint Announcement in relation to, among others, the Acquisition and the Offer on 4 June 2026. Since then, the closing prices of the Shares have been generally fluctuated between HK$38.40 and HK$64.40 per Share. On 23 June 2026, a joint announcement was made by the Company and the Offeror in respect of the Completion and the Offer. On 24 June 2026, the Company announced the appointment of independent financial adviser. On 25 June 2026 and 10 July 2026, joint announcements were made by the Company and the Offeror in respect of the delay in despatch of composite document of the Offer. Afterward, the closing price of the Shares became HK$54.60 per Share as at the Latest Practicable Date. The Offer Price represents a discount of approximately 84.76% to the closing price per Share as at the Latest Practicable Date. The closing prices of the Shares were above the Offer Price during the entire Post-Announcement Period. As confirmed by the Directors, save for the release of the announcement relating to the Acquisition and the Offer since 4 June 2026, the Directors were not aware of any specific event that caused the recent substantial increases in prices of the Shares.

Having considered the public information of the Company and Share prices during the Post-Announcement Period, we consider that the recent surge of the Share prices in the Post-Announcement Period may reflect the market reaction to the change in controlling Shareholders of the Company as a result of the Acquisition and the Offer. Therefore, the recent Share prices are more relevant for assessing the fairness and reasonableness of the Offer Price.

(vi) Historical trading volume of the Shares

The following table sets out the historical monthly trading volume of the Shares and the percentage of the number of Shares traded compared to the total number of the Shares in issue during the Review Period:

Months/period	Number of trading days	Total trading volume (Number of Shares)	Average daily trading volume (Number of Shares) *(Note 1)*	% of average daily trading volume to the total number of Shares in issue *(Note 2)*	% of average daily trading volume to the total number of Shares held by the public Shareholders *(%)* *(Note 3)*
2025					
May	7	20,500	2,929	0.0092	0.0365
June	21	413,000	19,667	0.0615	0.2452
July	22	71,000	3,227	0.0101	0.0402
August	21	564,500	26,881	0.0840	0.3352
September	22	147,000	6,682	0.0209	0.0833
October	20	43,000	2,150	0.0067	0.0268
November	20	18,500	925	0.0029	0.0115
December	21	87,500	4,167	0.0130	0.0520
2026					
January	21	43,000	2,048	0.0064	0.0255
February	17	16,000	941	0.0029	0.0117
March	22	93,000	4,227	0.0132	0.0527
April	19	342,500	18,026	0.0563	0.2248
May *(Note 4)*	15	144,585	9,639	0.0301	0.1202
June *(Note 4)*	17	24,958,910	1,446,995	4.5219	18.0423
(excluding the Sale Shares)		628,910	36,995	0.1156	0.4613
July *(up to the Latest Practicable Date)*	14	87,000	6,214	0.0194	0.0775

Source: The Stock Exchange

Notes:

1. Average daily trading volume is calculated by dividing the total trading volume for the month/period by the number of trading days during the month/period which exclude any trading day on which trading of the Shares on the Stock Exchange was suspended for the whole day, if any.

2. The calculation is based on the average daily trading volume of the Shares divided by the balance of total number of issued Shares at the end of the respective month/period.

3. The calculation is based on the average daily trading volume of the Shares divided by the total number of Shares held by the public Shareholders (i.e. excluding those Shares held by core connected persons of the Company) at the end of the respective month/period based on the public information on the Stock Exchange.

4. Trading in the Shares was halted from 9:00 a.m. on 26 May 2026 pending the publication of the Joint Announcement and resumed from 9:00 a.m. on 5 June 2026.

As illustrated in the table above, the daily trading volume of the Shares for the respective month/period was generally thin during the Pre-Announcement Period and such thin trading volumes may indicate a low trading liquidity in the Shares and the Shareholders with sizeable shareholdings may not find immediate and sufficient demand on the Shares in the open market. The average daily trading volume of the Shares ranged from approximately 925 Shares in November 2025 to approximately 26,881 Shares recorded in August 2025, representing approximately 0.0029% to approximately 0.0840% of the total number of the Shares in issue as at the end of the relevant month/period. The percentage of average daily trading volume to the total number of Shares held by the public Shareholders as at the end of the relevant month/period during the Pre-Announcement Period ranged from approximately 0.0115% to approximately 0.3352%. We have reviewed the daily trading volume of the Shares in June and August 2025 and noted that most of their trading volume were recorded in late June 2025 and throughout the entire August 2025. As confirmed by the Directors, save for the release of the profit alert and results announcement in relation to the results for the year ended 30 April 2025 in July 2025, the Directors were not aware of any specific event around those periods which may have caused the substantial increases in trading volume of the Shares.

The Joint Announcement was published on 4 June 2026 and trading in the Shares was resumed from 9:00 a.m. on 5 June 2026. The trading volume of the Shares was 319,010 Shares on 5 June 2026 and the average daily trading volume of the Shares was 1,446,995 (or 36,995 Shares if transfer of the Sale Shares is excluded) Shares from 5 June 2026 to 30 June 2026. The average daily trading volume of the Shares was 6,214 Shares from 2 July 2026 to the Latest Practicable Date.

Due to the generally low percentage of average trading volume to the total number of the Shares held by the public Shareholders during the Review Period, we are of the opinion that the trading liquidity in the Shares is low and the Shareholders with sizeable shareholdings, may not immediately find sufficient demand on the Shares in the open market. However, there were moments like June and August 2025 and June 2026 when trading volume of the Shares can be exceptionally high and it might be possible for the Independent Shareholders to dispose of their Shares at prices higher than the Offer Price in open market during the Offer Period. Therefore, Independent Shareholders should be mindful as to whether there will be sufficient liquidity in the Shares for those who wish to realise part or all of their investment in the Company at the prevailing market price of the Shares and whether the size of disposal of their Shares will significantly exceed the prevailing market demand and exert a downward pressure on their selling prices of the Shares lower than the Offer Price Shares if they decide not to accept the Offer.

(vii) Market comparable analysis

The Group is principally engaged in the supply of apparel products with design and sourcing services to fashion retailers and the provision of institutional catering. According to the Annual Reports and the 2025 Interim Report, the business segments of the Group are Apparel Segment and Catering Segment (as described above). The Group commenced its new business in the Catering Segment which contributed less than 8% of revenue to the Group during the each of the two years ended 30 April 2025 and the six months ended 31 October 2025. In light of the short history and insignificance of the Catering Segment, we have conducted research on the companies listed on the Stock Exchange with business model, product nature and size similar to the Apparel Segment and exhaustively identified 11 companies listed on the Stock Exchange. In selecting these companies (the "**Market Comparables**"), we take into account those (i) with not less than 90% of revenue generated from business similar to the Group (i.e. sale of apparel/garment products other than mainly intimate wear and with no retail business) in the latest financial year as the Company solely recorded over 90% of revenue from the Apparel Segment and we considered a 90% benchmark already represents a high degree of similarity without casting out comparable companies that also recorded immaterial revenue from other sources; (ii) with trading of ordinary shares not being suspended on the Stock Exchange for the whole trading day as at the Latest Practicable Date as such companies normally possess inside information yet to be announced and the resumption of trading is not guaranteed; and (iii) with market capitalisation of not more than HK$5 billion as at the Latest Practicable Date which we consider a reasonable benchmark for size comparison as the companies within such range of market capitalisation (including the Company which had market capitalisation of approximately HK$1.75 billion based on the closing price of the Shares and the total number of the Shares in issue as at the Latest Practicable Date). In determining the abovementioned requirement on market capitalisation, we have taken into account the 12 month average market value of those constituents of Hang Seng Composite SmallCap Index ranging from approximately HK$6 billion to HK$20 billion. Given the market capitalisation of the Company fell below this range as at the Latest Practicable Date, we consider setting a requirement on market capitalisation of not more than HK$5 billion is reasonable as companies with market capitalisation within such range are also commonly regarded as small-cap companies in Hong Kong.

In view of that the Market Comparables are exhaustively identified and principally engaged in sales of apparel/garment products, we consider that the Market Comparables are sufficient, fair and representative sample for comparison to the Company. Shareholders should note that the principal activities, profitability and financial positions of each of the Market Comparables are different which may affect how they are actually valued and their respective market multiple valuations in the market. Therefore, the comparison with the Market Comparables set out in this letter is solely for general reference to the market trend when assessing the fairness and reasonableness of the Offer Price.

In assessing the fairness and reasonableness of the Cancellation Price, we have considered the use of price-to-earnings ratio (the "**P/E Ratio**") analysis, which is one of the most widely used and accepted methods for valuing a business with recurrent income. However, the Company was loss making in the last financial year and we were unable to apply P/E Ratio analysis. Hence, we considered another common valuation approach of non-profitable companies by reference the latest published net asset value of the Group per Share, i.e. the price-to-book ratio (the "**P/B Ratio**") as an alternative and appropriate approach to compare the Company with the Market Comparables. Given the Company (i) has been loss-making; (ii) had total assets of approximately HK$116.49 million (audited) as at 30 April 2025 and approximately HK$98.29 million (unaudited) as at 31 October 2025 respectively with over 90% of them were bank balances and cash, tangible assets like property, plant and equipment and investment properties and trade and other receivables; and (iii) positive net asset value, we consider that the Company had significant amount of assets and the P/B Ratio is suitable for comparison of the Company with the Market Comparables.

As illustrated in the table below, the P/B Ratios of the Market Comparables range from approximately 0.11 time to approximately 29.42 times and with average of approximately 3.67 times and median of approximately 1.27 times as at the Latest Practicable Date. The P/B Ratio implied by the Offer Price of approximately 3.20 times (based on the audited net asset value per Share as at 30 April 2025) and approximately 3.42 times (based on the unaudited net asset value per Share as at 31 October 2025) are within the range but below the average of the Market Comparables.

Company/ Stock Code	Principal business activities	Market capitalisation *(HK$' million)* *(Note 1)* *(a)*	Profit (Loss) attributable to shareholders during the latest full financial year *(HK$' million)* *(b)*	Net asset value attributable to shareholders as according to the latest published financial report *(HK$' million)* *(Note 2)* *(c)*	P/E Ratios *(times)* *(a)/(b)*	P/B Ratios *(times)* *(a)/(c)*
Pou Sheng International (Holdings) Limited (3813.HK)	(1) sales of sportswear and footwear products; and (2) commissions from concessionaire sales	1,833.85	233.36	9,728.52	7.86	0.19
Speedy Global Holdings Limited (0540.HK)	apparel supply chain servicing business which offers a wide range of woven wear, cut-and-sewn knitwear and sweater knitwear products to a number of owners or agents of global reputable brands	119.40	7.627	93.99	15.65	1.27

Company/ Stock Code	Principal business activities	Market capitalisation *(HK$' million)* *(Note 1)* *(a)*	Profit (Loss) attributable to shareholders during the latest full financial year *(HK$' million)* *(b)*	Net asset value attributable to shareholders as according to the latest published financial report *(HK$' million)* *(Note 2)* *(c)*	P/E Ratios *(times)* *(a)/(b)*	P/B Ratios *(times)* *(a)/(c)*
High Fashion International Limited (0608.HK)	(1) manufacture and trading of garments and related products; (2) property investment and development	366.74	69.77	3,256.98	5.26	0.11
Carry Wealth Holdings Limited (0643.HK)	manufacturing and trading garment products for internationally renowned brand names	189.87	(46.24)	105.67	N/A	1.80
KNT Holdings Limited (1025.HK)	manufacturing and trading of garment products	79.26	(45.66)	59.71	N/A	1.33
Huicheng International Holdings Limited (1146.HK)	design, manufacturing, marketing and sale of apparel products and accessories	196.39	(103.46)	986.63	N/A	0.20
Lever Style Corporation (1346.HK)	providing supply chain solutions in different apparel categories for customers (sales of garments)	952.26	123.51	542.79	7.71	1.75
Justin Allen Holdings Limited (1425.HK)	manufacturing and sales of products, which included sleepwear products, loungewear products, greige fabric and processing services	762.50	166.75	934.72	4.57	0.82
Hang Pin Living Technology Company Limited (1682.HK)	(1) garment Sourcing; (2) Provision of Financial Services	275.07	(1.04)	89.24	N/A	3.08
MBV International Limited (1957.HK)	(1) wholesaling of imprintable apparel and gift products; (2) manufacturing of imprintable apparel	169.56	(1.36)	410.26	N/A	0.41

Company/ Stock Code	Principal business activities	Market capitalisation	Profit (Loss) attributable to shareholders during the latest full financial year	Net asset value attributable to shareholders as according to the latest published financial report	P/E Ratios	P/B Ratios
		(HK$' million) *(Note 1)*	*(HK$' million)*	*(HK$' million)* *(Note 2)*	*(times)*	*(times)*
		(a)	*(b)*	*(c)*	*(a)/ (b)*	*(a)/ (c)*
i.century Holding Limited (8507.HK)	sales of apparel products with the provision of apparel supply chain management services to customers	456.00	(0.80)	15.50	N/A	29.42
			Statistics:	Min	4.57	0.11
				Max	15.65	29.42
				Mean	8.21	3.67
				Median	7.71	1.27
The Company		1,747.20	(6.04)	83.11	N/A	3.20
						(based on the latest audited net asset value per Share, see Note 3)
						3.42
						(based on the latest unaudited net asset value per Share, see Note 4)

Source: The Stock Exchange

Notes:

1. Unless otherwise specified, market capitalisation is calculated based on the closing price of shares on the Stock Exchange and the number of ordinary shares in issue of the Market Comparables as at the Latest Practicable Date.

2. The net asset value attributable to shareholders refers to the latest published accounts set out in the latest interim reports of the Market Comparables.

3. Based on the Offer Price of HK$8.323 per Offer Share and the audited net asset value per Share of approximately HK$2.597 calculated with reference to the consolidated audited net asset value of the Company of approximately HK$83.11 million as at 30 April 2025 per the 2025 Annual Report and 32,000,000 Shares issued as at the Latest Practicable Date.

4. Based on the Offer Price of HK$8.323 per Offer Share and the unaudited net asset value per Share of approximately HK$2.431 calculated with reference to the consolidated unaudited net asset value of the Company of approximately HK$77.79 million as at 31 October 2025 per the 2025 Interim Report and 32,000,000 Shares issued as at the Latest Practicable Date.

5. In the calculation above, figures denominated in RMB, US$ and RM as stated in the relevant annual reports or interim reports of the Market Comparables are translated into HK$ at the exchange rate of as at the end of December 2025 according to the rates cited from People's Bank of China.

The Shares have been traded at premium to net asset value per Share of over 200% (i.e. P/B Ratio has been over 3 times) for all the time in the Review Period and the average P/B Ratio of the Market Comparables is approximately 3.67 times as mentioned before. From this perspective, although the P/B Ratio implied by the Offer Price of approximately 3.42 times (by reference to the higher one) is higher than the median P/B Ratio of approximately 1.27 times, we do not consider the P/B Ratio implied by the Offer Price is attractive. Especially when comparing with the higher P/B Ratio of approximately 22.46 times represented by the closing price of the Shares as at the Latest Practicable Date and the latest unaudited net asset value per Share.

RECOMMENDATION

Having considered the principal factors set out above, in particular, the following:

(i) the Offer Price was below all closing prices of the Shares during the entire Review Period and represents a deep discount of over 70% to (a) the closing price of the Shares as quoted on the Stock Exchange on the Last Trading Day; (b) the average closing prices of the Shares during the 5, 10 and 30 trading days up to and including the Last Trading Day; and (c) the Latest Practicable Date;

(ii) given the significant high closing prices of the Shares as compared to the Offer Price as mentioned above, particularly the premium of approximately 556.01% represented by the closing price as at the Latest Practicable Date over the Offer Price, and the general uptrend of the closing price of the Shares during the Review Period, it might be possible for the Independent Shareholders to dispose of their Shares at prices higher than the Offer Price in open market during the Offer Period although the Shareholders with sizeable shareholdings may not immediately find sufficient demand on the Shares in the open market which results in pressure on their selling prices; and

(iii) the Offeror intends to continue the Group's existing principal business and does not intend to introduce any major changes to the existing operations and business of the Group immediately after close of the Offer and will neither redeploy nor dispose of any of the assets (including fixed assets) of the Group other than in the ordinary course of business. Nevertheless, we believe that the Group's business may be benefited given the experiences in business management of Mr. Zha. Therefore, the most recent Share prices, particularly during the Post-Announcement Period, may have already reflected the investors' expectation to the Company's business performance and future prospects.

We consider that the Offer (including the Offer Price) is not fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders not to accept the Offer.

We would like to remind the Independent Shareholders that if they consider retaining their Shares or tendering less than all their Shares under the Offer should carefully consider the potential difficulties they may encounter in disposing their investments in the Shares after the close of the Offer in view of the historical low liquidity of the Shares and there is no guarantee that the prevailing level of the Share price will sustain during and after the Offer Period.

Those Independent Shareholders who intend to accept the Offer are reminded to closely monitor the market price and the liquidity of the Shares during the period when the Offer remains open for acceptance and should consider selling their Shares in the open market, instead of accepting the Offer, if the net proceeds from the sale of such Shares in the open market would exceed the net proceeds receivable under the Offer after having regard to the market price and the liquidity of the Shares.

The Independent Shareholders are strongly advised that the decision to accept the Offer or to hold their investment in the Shares is subject to individual circumstances and investment objectives. The Independent Shareholders are also reminded to read carefully the procedures for accepting the Offer as detailed in the Composite Document, the appendices to the Composite Document and the relevant form of acceptance and transfer, if they wish to accept the Offer and to closely monitor to the business development of the Group according to the publications to be made by the Company, if any.

Yours faithfully,
For and on behalf of
Sorrento Capital Limited

Aaron Wong — *Managing Director*
Wesker Poon — *Managing Director*

Note: Mr. Aaron Wong is a responsible officer of type 6 (advising on corporate finance) regulated activity and has more than ten years of experience in corporate finance and investment banking. Mr. Wesker Poon is a responsible officer of type 6 (advising on corporate finance) regulated activity and has more than 15 years of experience in corporate finance and investment banking. Mr. Wong and Mr. Wesker Poon have participated in and completed various advisory transactions in respect of the Takeovers Code.

1. PROCEDURES FOR ACCEPTANCE OF THE OFFER

(i) To accept the Offer, you should complete and sign the accompanying Acceptance Form(s) in accordance with the instructions printed thereon, which form part of the terms of the Offer.

(ii) 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 hereof) in respect of your Shares is/are in your name, and you wish to accept the Offer in respect of your Shares (whether in full or in part), you must send the duly completed and signed Acceptance Form 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) for the number of Shares in respect of which you intend to accept the Offer, by post or by hand, to the Hong Kong Share Registrar, marked "SG Group Holdings Limited – General Offer" on the envelope, as soon as possible and in any event so as to reach the Hong Kong Share Registrar by no later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and the Offeror and the Company may jointly announce with the consent of the Executive in accordance with the Takeovers Code.

(iii) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Offer in respect of your Shares (whether in full or in part), you must either:

   (i) lodge your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares with the nominee company, or other nominee, with instructions authorising it to accept the Offer on your behalf and requesting it to deliver the duly completed and signed Acceptance Form together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares to the Hong Kong Share Registrar by no later than 4:00 p.m. on the Closing Date; or

   (ii) arrange for the Shares to be registered in your name by the Company through the Hong Kong Share Registrar, and deliver the duly completed and signed Acceptance Form together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares to the Hong Kong Share Registrar by no later than 4:00 p.m. on the Closing Date; or

(iii) if your Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees Limited to accept the Offer on your behalf on or before the deadline set by HKSCC Nominees Limited. 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.

(iv) If the share certificate(s) and/or transfer receipts and/or 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 Offer in respect of your Shares, the Acceptance Form should nevertheless be completed and signed and delivered to the Hong Kong Share Registrar together with a letter stating that you have lost one or more of your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares or that it is/they are not readily available. If you find such document(s) or if it/they become(s) available, it/they should be forwarded to the Hong Kong Share Registrar as soon as possible thereafter. If you have lost your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title, you should also write to the Hong Kong Share Registrar a letter of indemnity which, when completed in accordance with the instructions given, should be delivered to the Hong Kong Share Registrar. The Offeror shall have the absolute discretion to decide whether any Shares in respect of which the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title is/are not readily available and/or is/are lost will be taken up by the Offeror.

(v) 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 Offer in respect of your Shares, you should nevertheless complete and sign the Acceptance Form and deliver it to the Hong Kong Share Registrar together with the transfer receipt(s) duly signed by yourself. Such action will constitute an irrevocable authority to the Offeror and/or DL Securities and/or their respective agent(s) to collect from the Company or the Hong Kong Share Registrar on your behalf the relevant share certificate(s) when issued and to deliver such share certificate(s) to the Hong Kong Share Registrar on your behalf and to authorise and instruct the Hong Kong Share Registrar to hold such share certificate(s), subject to the terms and conditions of the Offer, as if it was/they were delivered to the Hong Kong Share Registrar with the Acceptance Form.

(vi) Acceptance of the Offer will be treated as valid only if the duly completed and signed Acceptance Form is received by the Hong Kong Share Registrar by no later than 4:00 p.m. on the Closing Date (or such later time and/or date as the Offeror may determine and the Offeror and the Company may jointly announce with the consent of the Executive in accordance with the Takeovers Code) and the Hong Kong Share Registrar has recorded that the Acceptance Form(s) and any relevant documents as required by Note 1 to Rule 30.2 of 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) in respect of your Shares 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/her personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Shares which are not taken into account under another sub-paragraph of this paragraph (f)); or

(iii) certified by the Hong Kong Share Registrar or the Stock Exchange.

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

(viii) In Hong Kong, seller's ad valorem stamp duty payable by the Independent Shareholders who accept the Offer and calculated at a rate of 0.1% of the market value of the Offer Shares or consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is the higher, will be deducted from the amount payable by the Offeror to the relevant Shareholders on the acceptance of the Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the Independent Shareholders who accept the Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

(ix) No acknowledgement of receipt of any Acceptance Form(s), 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 will be given.

2. SETTLEMENT OF THE OFFER

(a) Provided that a valid Acceptance Form and the relevant 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 relevant Shares are complete and in good order in all respects and have been received by the Hong Kong Share Registrar by no later than 4:00 p.m. on the Closing Date (or such later time and/or date as the Offeror may determine and the Offeror and the Company may jointly announce with the consent of the Executive in accordance with the Takeovers Code), a cheque for the amount (rounding up to the nearest cent) due to each of the Independent Shareholders who accepts the Offer less seller's ad valorem stamp duty in respect of the Shares tendered by him/her/it under the Offer will be despatched to such Independent Shareholder by ordinary post at his/her/its own risk as soon as possible but in any event no later than seven (7) Business Days after the date of receipt by the Hong Kong Share Registrar of the duly completed acceptances of the Offer and all relevant documents of title which render such acceptance complete, valid and in compliance with Note 1 to Rule 30.2 of the Takeovers Code.

(b) Settlement of the consideration to which any accepting Independent Shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the 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 Independent Shareholder.

(c) Cheque(s) not presented for payment within six months from the date of issue of the relevant cheques will not be honoured and be of no further effect, and in such circumstances cheque holders should contact the Offeror for payment.

3. ACCEPTANCE PERIOD

(a) In order to be valid for the Offer, the Acceptance Form must be received by the Hong Kong Share Registrar in accordance with the instructions printed thereon by 4:00 p.m. on the Closing Date, unless the Offer is extended or revised with the consent of the Executive.

(b) The Offeror and the Company will jointly publish an announcement on the Stock Exchange's website no later than 7:00 p.m. on the Closing Date stating the results of the Offer and whether the Offer has been extended, revised or has expired.

(c) If the Offer is extended or revised, the Offeror and the Company will jointly publish an announcement on the Stock Exchange's website, and the announcement of such extension or revision will state the next closing date or that the Offer will remain open until further notice. In the latter case, at least fourteen (14) days' notice in writing will be given before the Offer is closed to the Independent Shareholders who have not accepted the Offer.

(d) If, in the course of the Offer, the Offeror revises the terms of the Offer, all Independent Shareholders, whether or not they have already accepted the Offer, will be entitled to accept the revised Offer under the revised terms. The revised Offer will be kept open for at least fourteen (14) days after the date of the revised Offer document.

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

4. NOMINEE REGISTRATION

To ensure equality of treatment of all Independent Shareholders, those registered Independent Shareholders who hold Shares as nominees 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 whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Offer.

5. ANNOUNCEMENTS

(a) By 6:00 p.m. (or such later time as the Executive may in exceptional circumstances permit) on the Closing Date, the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the revision, extension or expiry of the Offer. The Offeror must post an announcement in accordance with the requirements of the Listing Rules on the Stock Exchange's website by 7:00 p.m. on the Closing Date stating, amongst other information required under Rule 19.1 of the Takeovers Code, whether the Offer has been revised, extended, or has expired. The announcement will state the total number of Shares and rights over Shares:

(i) for which acceptances of the Offer have been received;

(ii) held, controlled or directed by the Offeror and/or Offeror Concert Parties before the Offer Period; and

(iii) acquired or agreed to be acquired during the Offer Period by the Offeror and/or Offeror Concert Parties.

The announcement must include details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror or Offeror Concert Parties have borrowed or lent, save for any borrowed Shares which have been either on-lent or sold.

The announcement must also 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 as of the Closing Date, only valid acceptances that are in all respects complete, in good order and fulfill the acceptance conditions set out in this Appendix, and which have been received by the Hong Kong Share Registrar no later than 4:00 p.m. on the Closing Date, unless the Offer is extended or revised with the consent of the Executive, shall be included.

(c) As required under the Takeovers Code, all announcements in relation to the Offer will be made in accordance with the requirements of the Takeovers Code and the Listing Rules, where appropriate.

6. RIGHT OF WITHDRAWAL

(a) Acceptance of the Offer tendered by the Independent Shareholders shall be irrevocable and cannot be withdrawn, except in the circumstances set out in the sub-paragraph (b) below.

(b) In the circumstances set out in Rule 19.2 of the Takeovers Code (which is to the effect that if the Offeror is unable to comply with any of the requirements of making announcements relating to the Offer as described under the paragraph headed "5. Announcements" above), the Executive may require that acceptors of the Offer be granted a right of withdrawal, on terms acceptable to the Executive, until such requirements can be met.

In such case, when the Independent Shareholders withdraw their acceptance(s), the Offeror and the Hong Kong Share Registrar shall, as soon as possible but in any event no later than seven (7) Business Days after the Offer is withdrawn, return by ordinary post the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the Offer Shares lodged with the Acceptance Form(s) to the relevant Independent Shareholders or deposit the relevant shares to the securities account of the Independent Shareholder at their own risks.

Save as aforesaid, acceptances of the Offer shall be irrevocable and not capable of being withdrawn. By accepting the Offer, the Independent Shareholders will sell their Shares to the Offeror free from all Encumbrances and together with all rights accruing or attaching to them, including, without limitation, the right to receive all dividends and distributions which may be recommended, declared, made or paid, if any, at any time on or after the date on which the Offer is made, being the date of the despatch of this Composite Document.

7. OVERSEAS SHAREHOLDERS

The Offeror intends to make the Offer available to all Independent Shareholders, including those with a registered address in a jurisdiction outside Hong Kong. The availability of the Offer to persons with a registered address in a jurisdiction outside Hong Kong may be affected by the laws of the relevant overseas jurisdictions. The making of the Offer to such Overseas Shareholders may be prohibited or limited by the laws or regulations of the relevant jurisdictions. The Overseas Shareholders should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice.

It is the responsibility of the Overseas Shareholders who wish to take any action in relation to the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with any such action, including the obtaining of any governmental, exchange control or other consents which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes in respect of any relevant jurisdictions.

The Offeror, the Offeror Concert Parties (including the Sellers), the Company, DL Securities, Dakin Capital, the Independent Financial Adviser, the Hong Kong Share 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 Offer shall be entitled to be fully indemnified and held harmless by the Overseas Shareholders for any taxes as such persons may be required to pay.

Any acceptance by Shareholders and beneficial owners of the Shares who are citizens, residents or nationals of a jurisdiction outside Hong Kong will be deemed to constitute a representation and warranty from such persons to the Offeror that the local laws and requirements have been complied with. Shareholders who are in doubt as to the action they should take should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

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

8. STAMP DUTY

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

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

9. TAXATION ADVICE

Independent Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, Offeror Concert Parties (including the Sellers), the Company, DL Securities, Dakin Capital, and their respective ultimate beneficial owners, directors, advisers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

10. GENERAL

(a) All communications, notices, Acceptance Form(s), share certificate(s), transfer receipt(s), other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to settle the consideration payable under the Offer to be delivered by or sent to or from the Independent Shareholders will be delivered by or sent to or from them, or their designated agents, by ordinary post at their own risk, and none of the Company, the Offeror and the Offeror Concert Parties, DL Securities, Dakin Capital, the Independent Financial Adviser and any of their respective directors nor other parties involved in the Offer or any of their respective agents accept any liability for any loss in postage, delay in transmission or any other liabilities that may arise as a result thereof.

(b) The provisions set out in the Acceptance Form form part of the terms and conditions of the Offer.

(c) The accidental omission to despatch this Composite Document and/or Acceptance Form or any of them to any person to whom the Offer is made will not invalidate the Offer in any way.

(d) The Offer is, and all acceptances will be, governed by and construed in accordance with the laws of Hong Kong.

(e) Due execution of the Acceptance Form will constitute an authority to the Offeror, DL Securities and/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 Offer 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 they may direct, the Shares in respect of which such person or persons has/have accepted the Offer.

(f) Acceptance of the Offer by any person or persons will be deemed to constitute a representation and warranty by such person or persons to the Offeror and DL Securities that the Offer Shares are sold to the Offeror free from all encumbrances together with all rights attached thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of despatch of this Composite Document. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above representation and warranty.

(g) Acceptance of the Offer by any nominee will be deemed to constitute a warranty by such nominee to the Offeror that the number of Shares in respect of which as indicated in the Acceptance Form is the aggregate number of Shares held by such nominee for such beneficial owner who is accepting the Offer.

(h) Any Independent Shareholders accepting the Offer will be responsible for payment of any other transfer or cancellation or other taxes or duties payable in respect of the relevant jurisdiction due by such persons.

(i) Unless otherwise expressly stated in this Composite Document and/or the Acceptance Form(s), no person other than the Offeror and the accepting Independent Shareholders may enforce any terms of the Offer that will arise out of complete and valid acceptances under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong).

(j) Reference to the Offer in this Composite Document and in the Acceptance Form(s) shall include any extension and/or revision thereof.

(k) All acceptance, instructions, authorities and undertakings given by the Independent Shareholders in the Acceptance Form(s) shall be irrevocable except as permitted under the Takeovers Code.

(l) The English text of this Composite Document and the Acceptance Form shall prevail over their respective Chinese text for the purpose of interpretation in case of inconsistency.

(m) In making their decisions, the Independent Shareholders must rely on their own examination of the Offeror, the Group and the terms of the Offer, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained herein together with the Acceptance Form(s), shall not be construed as any legal or business advice on the part of the Offeror and the Offeror Concert Parties, the Company, DL Securities, Dakin Capital, the Independent Financial Adviser or any of their respective ultimate beneficial owners, directors, officers, agents or associates or any other persons involved in the Offer. The Independent Shareholders should consult their own professional advisers for professional advice.

(n) The Offer is made in accordance with the Takeovers Code.

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 30 April 2023, 2024 and 2025 as extracted from the Company's annual report for the years ended 30 April 2023, 2024 and 2025, respectively, and the unaudited consolidated financial results of the Group for the six months ended 31 October 2024 and 2025 as extracted from the interim report of the Company for the six months ended 31 October 2025.

	For the year ended or as at 30 April 2023	**For the year ended or as at 30 April 2024**	**For the year ended or as at 30 April 2025**	**For the six months ended or as at 31 October 2024**	**For the six months ended or as at 31 October 2025**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(audited)	*(audited)*	*(audited)*	*(unaudited)*	*(unaudited)*
Revenue	149,362	122,905	153,766	64,393	80,906
Cost of sales	(130,689)	(104,586)	(123,419)	(57,636)	(70,350)
Gross profit	18,673	18,319	30,347	6,757	10,556
Other income	2,924	1,294	1,077	1,047	417
Other gains and losses	(6,012)	(2,768)	(1,336)	404	84
Net unrealised gains (losses) on financial assets at fair value through profit or loss ("**FVTPL**")	–	–	–	(346)	16
Net impairment loss recognised on trade receivables	(275)	(1,381)	(2,126)	(1,690)	(42)
Administrative expenses	(17,707)	(17,176)	(16,676)	(8,081)	(8,878)
Selling and distribution expenses	(13,774)	(15,408)	(17,062)	(7,096)	(7,571)
Finance costs	(346)	(239)	(479)	(116)	(383)
Loss before taxation	(16,517)	(17,359)	(6,255)	(9,121)	(5,801)
Income tax credit	90	212	214	87	3
Loss for the year/period	(16,427)	(17,147)	(6,041)	(9,034)	(5,798)

	For the year ended or as at 30 April 2023 HK$'000 (audited)	For the year ended or as at 30 April 2024 HK$'000 (audited)	For the year ended or as at 30 April 2025 HK$'000 (audited)	For the six months ended or as at 31 October 2024 HK$'000 (unaudited)	For the six months ended or as at 31 October 2025 HK$'000 (unaudited)
OTHER COMPREHENSIVE (EXPENSE) INCOME FOR THE YEAR/period					
Item that will not be reclassified to profit or loss:					
Fair value loss on:					
Investment in financial instruments at fair value through other comprehensive income ("**FVTOCI**")	(2,925)	–	–	–	–
Item that may be reclassified subsequently to profit or loss:					
Exchange differences arising on translation of foreign operations	133	(484)	(193)	122	478
Other comprehensive (expense)/income for the year/period	(2,792)	(484)	(193)	122	478
Total comprehensive expense for the year/period	(19,219)	(17,631)	(6,234)	(8,912)	(5,320)
Loss per share					
– Basic and diluted (Hong Kong dollars)	(0.513)	(0.536)	(0.189)	(0.28)	(0.18)

Assets and liabilities	As at 30 April 2023 HK$'000 (audited)	As at 30 April 2024 HK$'000 (audited)	As at 30 April 2025 HK$'000 (audited)	As at 31 October 2025 HK$'000 (unaudited)
Non-current Assets	23,762	26,662	20,032	18,076
Current Assets	108,861	77,635	96,460	80,212
Current Liabilities	25,017	13,349	32,872	59,724
Net Current Assets/Liabilities	83,844	64,286	63,588	59,724
Net Assets	106,975	89,344	83,110	77,790

No dividend was paid or proposed by the Company during each of the three years ended 30 April 2023, 2024 and 2025, and for the six months ended 31 October 2024 and 2025. Hence dividends per Share for each of the year ended 30 April 2023, 2024 and 2025 were inapplicable.

There has been no change in the Group's accounting policies which would result in the figures in its consolidated financial statements for each of the three years ended 30 April 2023, 2024 and 2025, and for the six months ended 31 October 2024 and 2025, being not comparable to a material extent.

The consolidated financial statements of the Group for the year ended 30 April 2023, 2024 and 2025 were audited by D & PARTNERS CPA LIMITED.

There were no items of any income or expense which are material in respect of the consolidated financial results of the Company for each of the three years ended 30 April 2023, 2024 and 2025, and for the six months ended 31 October 2024 and 2025.

Save for the Offer, there have been no other significant events of the Company after 31 October 2025.

2. CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP

The Company is required to set out or refer to in this Composite Document the consolidated statements of profit or loss, the consolidated statement of financial position, consolidated statement of cash flows and any other primary statement as shown in the last published audited accounts, together with the notes to the relevant published accounts which are of major relevance to the appreciation of the above financial information.

The unaudited consolidated financial statements of the Group for the six months ended 31 October 2025 (the "**2025 Interim Financial Statements**") have been set out on pages 16 to 34 of the 2025 interim report of the Company for the six months ended 31 October 2025 (the "**2025 Interim Report**"), which was posted on 30 December 2025 on the website of the Stock Exchange (http://www.hkexnews.hk), and is accessible via the following hyperlink:

https://www1.hkexnews.hk/listedco/listconews/sehk/2025/1230/2025123001948.pdf

The audited consolidated financial statements of the Group for the year ended 30 April 2025 (the "**2025 Financial Statements**") have been set out on pages 106 to 173 of the 2025 annual report of the Company for the year ended 30 April 2025 (the "**2025 Annual Report**"), which was posted on 29 July 2025 on the website of the Stock Exchange (http://www.hkexnews.hk), and is accessible via the following hyperlink:

https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0729/2025072901680.pdf

The audited consolidated financial statements of the Group for the year ended 30 April 2024 (the "**2024 Financial Statements**") have been set out on pages 77 to 147 of the 2024 annual report of the Company for the year ended 30 April 2024 (the "**2024 Annual Report**"), which was posted on 31 July 2024 on the website of the Stock Exchange (http://www.hkexnews.hk), and is accessible via the following hyperlink:

https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0731/2024073101760.pdf

The 2025 Interim Financial Statements, 2025 Financial Statements, 2024 Financial Statements and the 2023 Financial Statements (but not any other parts of the 2025 Interim Report, the 2025 Annual Report, the 2024 Annual Report or the 2023 Annual Report 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 30 April 2026, being the latest practicable date for the purpose of ascertaining this indebtedness statement prior to the printing of this Composite Document, the Group had total indebtedness of HK$3,926,750, details of which are set out as follows:

(a) interest-bearing bank borrowings of HK$2,693,437 were personally guaranteed by Mr. Choi King Ting, Charles, the executive director of the Company;

(b) lease liabilities of HK$1,233,313 in relation to certain of the land and buildings, which are unsecured and unguaranteed.

Save as aforesaid and apart from intra-group liabilities and normal trade and other payables in the normal course of business, the Group did not, at the close of business on 30 April 2026, have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, charges or debentures, mortgages, borrowings or other similar indebtedness, finance leases or hire purchase commitment, liabilities under acceptance (other than normal trade bills and payables), acceptance credits, or any guarantees or other material contingent liabilities.

4. MATERIAL CHANGES

Save for the followings, the Directors confirm that there has been no material change in the financial or trading position or outlook of the Group subsequent to 30 April 2025, the date to which the latest audited consolidated financial statements of the Company were made up, up to and including the Latest Practicable Date.

1. As disclosed in the 2025 Interim Report, the Company continued to be loss-making and recorded an unaudited loss of approximately HK$5.80 million for the six months ended 31 October 2025 notwithstanding the increase in revenue by approximately 25.66% as compared to the same period in 2024;

2. As disclosed in the 2025 Interim Report although the Company reduced its unaudited loss for the six months ended 31 October 2025 as compared to approximately HK$9.03 million for the same period in 2024, the gross profit margin of the Company for the six months ended 31 October 2025 of approximately 13.05% was significantly lower than approximately 19.74% for the previous financial year ended 30 April 2025 as disclosed in the 2025 Annual Report. Therefore, the financial performance of the Company is subject to a volatile gross profit margin; and

3. As disclosed in the 2025 Interim Report, other borrowings of the Group decreased from HK$10.00 million as at 30 April 2025 (audited) to nil as at 31 October 2025 (unaudited) since the Group had fully repaid the interest-bearing loans.

1. RESPONSIBILITY STATEMENTS

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than the information relating to the Offeror and Offeror Concert Parties (excluding the Sellers)) 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 sole director 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 statements in this Composite Document misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company of HK$0.01 each as at the Latest Practicable Date were as follows:–

Authorised:		*HK$*
200,000,000	Shares	2,000,000
Issued:		
32,000,000	Shares	320,000

All issued Shares rank *pari passu* in all respects with each other, including as to rights in respect of capital, dividends and voting.

The Company has not issued any Shares since 30 April 2025, the date to which the latest audited financial statements of the Company were made up.

As at the Latest Practicable Date, save for 32,000,000 Shares in issue, the Company did not have other class of securities, outstanding options, derivatives, warrants, or other securities which are convertible or exchangeable into Shares.

The issued Shares are listed on the Stock Exchange. None of the securities of the Company is listed or dealt in, and no listing or permission to deal in the securities of the Company is being or is proposed to be sought on any other stock exchange.

3. DISCLOSURE OF INTERESTS

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

As at the Latest Practicable Date, save as disclosed below and save for Mr. Choi (who is presumed to be acting in concert with the Offeror under Class (9) of the definition of "acting in concert" under the Takeovers Code until the full settlement of the Deferred Payment by the Offeror), none of the Directors or the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules; or (iv) which were required to be disclosed under the Takeovers Code.

Name of Director	Capacity	Number of Shares (Note 1)	Approximate % of issued Shares (Note 2)
Mr. Lai Kwok Hung, Alex (Note 3)	Beneficial owner	10,000 (L)	0.03%

Notes:

(1) The letter "L" denotes the person's long position in the Shares.

(2) The shareholding percentage is calculated based on 32,000,000 Shares in issue as of the Latest Practicable Date.

(3) As at the Latest Practicable Date, Mr. Lai Kwok Hung, Alex, intended, in respect of his own beneficial shareholding in the Company, not to accept the Offer in whole or in part.

(b) Substantial shareholders' interests and short positions in shares, underlying shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, the following persons (not being a Director or chief executive of the Company) had an interest or a short position in the Shares or the underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept under section 336 of the SFO or as otherwise notified to the Company and the Stock Exchange:

			Immediately prior to Completion		Immediately after Completion and before the Offer is made	
		Capacity	*Number of Shares*	*Approximate % of issued Shares*	*Number of Shares*	*Approximate % of issued Shares*
(A)	**Offeror and the Offeror Concert Parties (excluding the Sellers)** *(Note 1)*					
	Offeror *(Note 2)*	Beneficial owner	–	–	23,970,000	74.91
	Sefon Software	Interest of controlled corporation	–	–	23,970,000	74.91
(B)	**Sellers** *(Note 3)*					
	Seller A (Mr. Choi)	Beneficial owner	970,000	3.03	–	–
	Seller B (JC International)	Beneficial owner	23,000,000	71.88	–	–
	Mr. Choi	Interest of controlled corporation	23,000,000	71.88		
	Sub-total of the Shares held by the Offeror and the Offeror Concert Parties (including the Sellers)		**23,970,000**	**74.91**	**23,970,000**	**74.91**
Total			**23,970,000**	**74.91**	**23,970,000**	**74.91**

Notes:

1. Due to the Deferred Payment which will be settled after Completion, the Sellers are presumed to be acting in concert with the Offeror under Class (9) of the definition of "acting in concert" under the Takeovers Code until the full settlement of the Deferred Payment by the Offeror.

2. The Offeror is legally, beneficially and wholly owned by Sefon Software. Sefon Software is deemed to be interested in all the Shares held by the Offeror for the purpose of the SFO.

3. Mr. Choi directly owns 100% of JC International, which in turn holds 71.88% of the issued share capital of the Company as at the date of this Composite Document. Mr. Choi is deemed, or taken to be interested in, all the Shares held by JC International for the purpose of the SFO. Mr. Choi directly holds 3.03% of the issued share capital of the Company as at the date of this Composite Document.

4. Certain percentage figures included in this table have been subject to rounding adjustments. Figures shown as totals may not be an arithmetic aggregation of the figures preceding them

Save as disclosed herein, so far as is known to the Directors, as at the Latest Practicable Date, no person had an interest or a short position in the Shares or the underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept under section 336 of the SFO or as otherwise notified to the Company and the Stock Exchange.

4. SHAREHOLDINGS AND DEALINGS IN SECURITIES

(i) During the Relevant Period and up to the Latest Practicable Date, save for the disposal of the Sale Shares pursuant to the Share Purchase Agreement, none of the Directors had dealt for value in, any Shares or any securities, convertible securities, warrants, options, or derivatives in respect of any Shares or securities of the Company.

(ii) During the Relevant Period and up to the Latest Practicable Date, none of the Company and the Directors had owned or controlled, or had dealt for value in, any shares or any convertible securities, warrants, options or derivatives in respect of the shares of the Offeror.

(iii) As at the Latest Practicable Date, save for Mr. Choi and Mr. Lai Kwok Hung, Alex as disclosed above, none of the Directors was interested within the meaning of Part XV of the SFO in the Shares or any warrants, options, convertible securities or derivatives in respect of any Shares.

(iv) As at the Latest Practicable Date, save for Mr. Lai Kwok Hung, Alex as disclosed above, none of the Directors held any beneficial shareholdings in the Company which would otherwise entitle them to accept or reject the Offer. Mr. Lai Kwok Hung, Alex intended, in respect of his own beneficial shareholding in the Company, not to accept the Offer in whole or in part.

(v) During the Relevant Period and as at the Latest Practicable Date, none of the subsidiaries of the Company, pension funds of the Company or of a subsidiary of the Company, 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" in the Takeovers Code or who is an associate of the Company by virtue of class (2) of the definition of "associate" under the Takeovers Code (but excluding any exempt principal trader and exempt fund managers), had owned or controlled or dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares.

(vi) During the Offer Period and up to the Latest Practicable Date, save for the Share Purchase Agreement, there was no person who had arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code which existed between the Company, or any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of "acting in concert" under the Takeovers Code or who is an associate of the Company by virtue of classes (2), (3) or (4) of the definition of "associate" under the Takeovers Code, and no such person had owned, controlled or dealt for value in any Shares or any other convertible securities, warrants, options or derivatives in respect of the Shares.

(vii) During the Offer Period and up to the Latest Practicable Date, no Shares or any other convertible securities, warrants, options or derivatives in respect of the Shares were managed on a discretionary basis by fund managers (other than exempt fund managers) connected with the Company and no such person had dealt for value in any Shares or any other convertible securities, warrants, options or derivatives in respect of the Shares.

(viii) As at the Latest Practicable Date, none of the Company or the Directors had borrowed or lent any Shares or any convertible securities, warrants, options or derivatives or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in respect of any Shares.

5. ARRANGEMENTS AFFECTING AND RELATING TO DIRECTORS

As at the Latest Practicable Date:

(i) no benefit (other than statutory compensation) was or would be given to any Director as compensation for loss of office or otherwise in connection with the Offer;

(ii) there was no agreement or arrangement between any Director and any other person which was conditional on or dependent upon the outcome of the Offer or otherwise connected with the Offer;

(iii) save for the Share Purchase Agreement, no material contracts had been entered into by the Offeror in which any Director had a material personal interest; and

(iv) there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (1) any Shareholder and (2) the Company, its subsidiaries or associated companies.

6. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, the Company had entered into the following service agreements and letters of appointment with the Directors:

Director	Commencement date *(dd/mm/yyyy)*	Expiry date *(dd/mm/yyyy)*	Term of service	Remuneration per annum
Executive Director				
Mr. Choi King Ting, Charles	21/2/2026	20/2/2029	3 years	HK$840,000
Mr. Choi Ching Shing	21/2/2026	20/2/2029	3 years	HK$120,000
Ms. Li Li Mei	31/12/2024	30/12/2026	2 years	HK$360,000
Independent Non-Executive Director				
Mr. Lai Kwok Hung, Alex	21/2/2026	20/2/2029	3 years	HK$120,000
Mr. Yeung Chuen Chow, Thomas	21/2/2026	20/2/2029	3 years	HK$120,000
Mr. Cüneyt Bülent Bilâloğlu	21/2/2026	20/2/2029	3 years	HK$120,000

Each of the above Executive Directors is also entitled to a discretionary management bonus determined with reference to the Group's operating results and the relevant Director's performance provided that the aggregate amount of management bonuses payable to all executive Directors in respect of any financial year of the Group shall not exceed 10% of the audited consolidated profit after taxation and minority interest but before extraordinary items and such bonus payments as shown in the Group's audited consolidated accounts for the relevant financial year. Each of their respective appointments of the executive Directors may be terminated by either party giving not less than one month's notice in writing to the other or in accordance with the terms of their respective service contracts.

There is no variable remuneration payable under the terms of the respective appointment letters entered into by the above independent non-executive Directors with the Company. Each of their respective appointments can be terminated by either party giving not less than three months' notice in writing to the other or in accordance with the terms of the appointment letter.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors had entered into any service contract with the Company or any of its subsidiaries or associated companies which:

(i) (including both continuous and fixed term contracts) has been entered into or amended within six months prior to the commencement of the Offer Period on 4 June 2026;

(ii) was a continuous contract with a notice period of 12 months or more; or

(iii) was a fixed term contract with more than 12 months to run irrespective of the notice period; or

(iv) was not determinable by the employer within one year without payment of compensation (other than statutory compensation).

7. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and, no litigation or claims of material importance is pending or threatened by or against the Company and any of its subsidiaries.

8. MATERIAL CONTRACTS

None of the members of the Group entered into any contract, not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Company or any of its subsidiaries, within two years preceding the date of the commencement of the Offer Period and up to and including the Latest Practicable Date and which are material.

9. EXPERT AND CONSENT

The following are the name and qualifications of the expert whose letter, opinion or advice is contained or referred to in this Composite Document:

Name	Qualification
Sorrento Capital Limited	Licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

As at the Latest Practicable Date, Sorrento Capital Limited has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion herein of its letter, opinion or advice and the references to its name, logo and/or its qualifications included herein in the form and context in which they appear.

As at the Latest Practicable Date, Sorrento Capital Limited did not have (i) any direct or indirect interest in any assets which had been, since 30 April 2025 (being the date of the latest published audited consolidated financial statements of the Company were made up), acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group; and (ii) any shareholding, direct or indirect, 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.

10. MISCELLANEOUS

(i) The registered office of the Company is at 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman, KY1-1002, Cayman Islands.

(ii) The Company's headquarters and principal place of business in Hong Kong is Unit B, 9/F, Mai Wah Industrial Building, 1-7 Wah Sing Street, Kwai Chung, New Territories, Hong Kong.

(iii) The Company's company secretary is Mr. Chu Pui Ki, Dickson, a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants.

(iv) The Company's principal share registrar and transfer office is at Harneys Services (Cayman) Limited, 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman, KY1-1002, Cayman Islands.

(v) The Company's Hong Kong branch share registrar and transfer office is at Boardroom Share Registrars (HK) Limited, Room 2103B, 21st Floor, 148 Electric Road, North Point, Hong Kong.

(vi) As at the Latest Practicable Date, the Board comprised Mr. Choi King Ting, Charles, Mr. Choi Ching Shing, and Ms. Li Li Mei as Executive Directors and Mr. Lai Kwok Hung, Alex, Mr. Yeung Chuen Chow, Thomas and Mr. Cüneyt Bülent Bilâloğlu as Independent Non-Executive Directors.

(vii) The registered office of Sorrento Capital Limited is at Room 1208, 12/F, Wing On Centre, 111 Connaught Road Central, Sheung Wan, Hong Kong.

(viii) The English text of this Composite Document shall prevail over their respective Chinese text, in case of any inconsistency.

11. DOCUMENTS ON DISPLAY

Copies of the following documents are available for inspection on the websites of the SFC (www.sfc.hk) and the Company (www.jcfash.com) from the date of this Composite Document up to and including the Closing Date:

(i) the amended and restated memorandum and articles of association of the Company;

(ii) the 2025 Annual Report, the 2024 Annual Report, the 2023 Annual Report and the 2025 Interim Report;

(iii) the letter from the Board, the text of which is set out in this Composite Document;

(iv) the letter from the Independent Board Committee, the text of which is set out in this Composite Document;

(v) the letter of advice from Independent Financial Adviser, the text of which is set out in this Composite Document;

(vi) the service contracts referred to in the paragraph headed "6. Directors' Service Contracts" in this Appendix;

(vii) the written consent(s) referred to under the paragraph headed "9. Expert and Consent" in this Appendix; and

(viii) this Composite Document and the accompanying Acceptance Form.

1. RESPONSIBILITY STATEMENT

This Composite Document includes particulars given in compliance with the Takeovers Code for the purpose of giving information with regard to the Offer, the Offeror and the Group.

The sole director of the Offeror and the directors of Sefon Software jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than the information relating to the Group and the Sellers), and confirms, 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) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading.

2. DISCLOSURE OF INTERESTS IN SHARES

As at the Latest Practicable Date, details of interests in the Shares, underlying Shares, debentures or other relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company owned, controlled or directed by the Offeror, its ultimate beneficial owner and the Offeror Concert Parties were as follows:

		Immediately prior to Completion		**Immediately after Completion and before the Offer is made**	
	Capacity	*Number of Shares*	*Approximate % of issued Shares*	*Number of Shares*	*Approximate % of issued Shares*
(A) Offeror and the Offeror Concert Parties (excluding the Sellers) *(Note 1)*					
Offeror *(Note 2)*	Beneficial owner	–	–	23,970,000	74.91
Sefon Software	Interest of controlled corporation	–	–	23,970,000	74.91

			Immediately prior to Completion		Immediately after Completion and before the Offer is made	
		Capacity	*Number of Shares*	*Approximate % of issued Shares*	*Number of Shares*	*Approximate % of issued Shares*
(B)	**Sellers** *(Note 3)*					
	Seller A (Mr. Choi)	Beneficial owner	970,000	3.03	–	–
	Seller B (JC International)	Beneficial owner	23,000,000	71.88	–	–
	Mr. Choi	Interest of controlled corporation	23,000,000	71.88		
	Sub-total of the Shares held by the Offeror and the Offeror Concert Parties (including the Sellers)		**23,970,000**	**74.91**	**23,970,000**	**74.91**
Total			**23,970,000**	**74.91**	**23,970,000**	**74.91**

Notes:

1. Due to the Deferred Payment which will be settled after Completion, the Sellers are presumed to be acting in concert with the Offeror under Class (9) of the definition of "acting in concert" under the Takeovers Code until the full settlement of the Deferred Payment by the Offeror.

2. The Offeror is legally, beneficially and wholly owned by Sefon Software. Sefon Software is deemed to be interested in all the Shares held by the Offeror for the purpose of the SFO.

3. Mr. Choi directly owns 100% of JC International, which in turn holds 71.88% of the issued share capital of the Company as at the date of this Composite Document. Mr. Choi is deemed, or taken to be interested in, all the Shares held by JC International for the purpose of the SFO. Mr. Choi directly holds 3.03% of the issued share capital of the Company as at the date of this Composite Document.

4. Certain percentage figures included in this table have been subject to rounding adjustments. Figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

Save as disclosed above, as at the Latest Practicable Date, neither the Offeror nor the Offeror Concert Parties owned, controlled, directed, or had any other interest in the relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company.

3. DEALING AND INTERESTS IN THE COMPANY'S SECURITIES AND OTHER ARRANGEMENTS

Save for the Acquisition, neither the Offeror nor the Offeror Concert Parties had dealt in any Shares, convertible securities, warrants or options of the Company or any derivatives in respect of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the Relevant Period.

As at the Latest Practicable Date:

(i) save for the Sale Shares (i.e. 23,970,000 Shares) held by the Offeror upon Completion, none of the Offeror and the Offeror Concert Parties (including the Sellers) owns, controls or has direction over any voting rights or rights over Shares or otherwise holds convertible securities, warrants or options of the Company;

(ii) there is no outstanding derivative in respect of securities in the Company which has been entered into by the Offeror or any of the Offeror Concert Parties (including the Sellers);

(iii) save for the Loan Facility, the Share Charge and the Personal Guarantee, none of the Offeror, its ultimate beneficial owner and/or the Offeror Concert Parties had any arrangement (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with any person in relation to the share of the Offeror or the Shares;

(iv) save for the Share Purchase Agreement, the Loan Facility, the Share Charge and the Personal Guarantee, there was no arrangement (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code which existed between the Offeror, its ultimate beneficial owner and/or the Offeror Concert Parties and/or any other associate of the Offeror, and any other person;

(v) save for the Share Purchase Agreement and the Facility Agreement, there is no agreement or arrangement to which the Offeror or the Offeror Concert Parties is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or condition to the Offer;

(vi) none of the Offeror and the Offeror Concert Parties (including the Sellers) has received any irrevocable commitment(s) to accept or reject the Offer;

(vii) none of the Offeror and the Offeror Concert Parties (including the Sellers) has borrowed or lent any relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company;

(viii) save for the Share Charge, there was no agreement, arrangement or understanding that any securities acquired in pursuance of the Offer would be transferred, charged or pledged to any other persons;

(ix) save for the Share Purchase Agreement and the Personal Guarantee, there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Offeror or any of the Offeror Concert Parties (excluding the Sellers) on one hand, and the Sellers or any party acting in concert with any of them on the other hand;

(x) save for the Share Purchase Agreement and the Personal Guarantee, there is no understanding, arrangement, agreement or a special deal (as defined under Rule 25 of the Takeovers Code) between (1) any Shareholder (including the Sellers and their respective concert parties); and (2)(a) the Offeror and any of the Offeror Concert Parties (excluding the Sellers); or (2)(b) the Company, its subsidiaries or associated companies;

(xi) save for the Consideration and the Interest payable by the Offeror under the Share Purchase Agreement, none of the Offeror and the Offeror Concert Parties (excluding the Sellers) has paid or will pay any other consideration, compensation or benefit in whatever form to the Sellers or any parties acting in concert with any of them in connection with the Sale Shares;

(xii) save for the Share Purchase Agreement and the Personal Guarantee, there was no agreement, arrangement or understanding (including any compensation arrangement) between the Offeror, its ultimate beneficial owner or the Offeror Concert Parties and any of the Directors, recent Directors, Shareholders or recent Shareholders having any connection with or dependence upon the Offer;

(xiii) no benefit (other than statutory compensation) was or would be given to any Director as compensation for loss of office or otherwise in connection with the Offer;

(xiv) no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company was managed on a discretionary basis by any fund managers or principal traders connected with the Offeror or the Offeror Concert Parties, and no such person had dealt in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the Relevant Period; and

(xv) there were no conditions to which the Offer is subject to.

4. QUALIFICATIONS AND CONSENTS OF EXPERTS

The following are the qualifications of the experts who have given their opinion and advice which are contained in this Composite Document:

Name	Qualification
DL Securities (HK) Limited	Licensed corporation to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
Dakin Capital Limited	Licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

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

5. MARKET PRICES

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

Date	Closing price per Share *(HK$)*
31 December 2025	14.50
30 January 2026	13.54
27 February 2026	14.70
31 March 2026	16.00
30 April 2026	30.12
22 May 2026 (Last Trading Day)	30.00
30 June 2026	50.30
21 July 2026 (Latest Practicable Date)	54.60

Note: Trading in the Shares was suspended from 25 May 2026 and up to 4 June 2026, and hence information about the closing price of the Shares on the Stock Exchange on 29 May 2026 is not available.

During the Relevant Period:

(a) the highest closing price of the Shares quoted on the Stock Exchange was HK$64.40 per Share on 9 June 2026; and

(b) the lowest closing price of the Shares quoted on the Stock Exchange was HK$13.00 per Share on 4 February 2026 and 5 February 2026.

6. MISCELLANEOUS

(i) The principal members of the Offeror's concert group are the Offeror, Sefon Software and Mr. Zha.

(ii) The Offeror is a company incorporated in Hong Kong with limited liability on 11 February 2026. The registered office of the Offeror is Room 701, Unit 108B, 7/F, Tower B, New Mandarin Plaza, 14 Science Museum Road, Tsim Sha Tsui, Hong Kong. The sole director of the Offeror is Mr. Zha.

(iii) Sefon Software is a limited liability company established under the laws of the PRC on 13 May 2014. The registered office of Sefon Software is No.12, Hexiang No.1 Street, High-tech District, Chengdu, Sichuan province, China. The directors of Sefon Software are Mr. Zha, Mr. Wang Chunbin, Mr. Zhang Denghui and Mr. Jiang Hongqing.

(iv) The correspondence address of the Offeror, Sefon Software (the sole shareholder of the Offeror), and Mr. Zha (the sole director of the Offeror and the director of Sefon Software) is No.12, Hexiang No.1 Street, High-tech District, Chengdu, Sichuan province, China.

(v) The main business address of DL Securities is 21/F, DL Tower, 92 Wellington Street, Central, Hong Kong.

(vi) The main business address of Dakin Capital is Suite 3111A, 31/F, Tower 2, Lippo Centre, 89 Queensway, Hong Kong.

(vii) In case of inconsistency, the English text of this Composite Document and the Acceptance Form(s) shall prevail over their respective Chinese texts.

7. DOCUMENTS ON DISPLAY

Copies of the following documents are available for inspection on the websites of the SFC (www.sfc.hk) and the Company (www.jcfash.com) 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 DL Securities", the text of which is set out in this Composite Document;

(c) the written consents as referred to in the section headed "4. Qualifications and Consents of Experts" in this Appendix IV;

(d) the Share Purchase Agreement;

(e) the Supplemental Agreement;

(f) the Facility Agreement; and

(g) the Share Charge.