

MTT GROUP HOLDINGS LIMITED

數科集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2350)

Executive Directors:

Mr. Ip Ka Wai Charlie

(Chairman of the Board)

Mr. Chan Tim Cheung

Non-executive Directors:

Mr. Ho Wang Shun

Mr. Chen Yiliang

Independent non-executive Directors:

Mr. Lam Chi Wing

Ms. Chan Anita Mei Yiu

Ms. Wu Ching Tung Grace

Mr. Lo Kwok Loong Sammy

Registered office:

4/F., 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:

8/F Kwok Kee Group Centre

107 How Ming Street

Kwun Tong

Kowloon, Hong Kong

24 July 2025

To the Independent Shareholders

Dear Sir or Madam,

UNCONDITIONAL MANDATORY CASH OFFER BY SUNHIGH FINANCIAL HOLDINGS LIMITED ON BEHALF OF QH TECHNOLOGY HOLDINGS LIMITED TO ACQUIRE ALL THE ISSUED SHARES IN MTT GROUP HOLDINGS LIMITED (OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY QH TECHNOLOGY HOLDINGS LIMITED AND PARTIES ACTING IN CONCERT WITH IT)

INTRODUCTION

Reference is made to the Joint Announcement in relation to, among other things, the Sale and Purchase Agreement and the Offer. Unless otherwise specified, capitalised terms used in this letter shall have the same meaning as those defined in this Composite Document.

As disclosed in the Joint Announcement, on 29 April 2025, the Offeror, Mr. Yan, the Vendor and Mr. Ip entered into the Sale and Purchase Agreement pursuant to which the Vendor has agreed to sell and the Offeror have agreed to purchase an aggregate of 358,380,000 Shares, representing approximately 57.3% of the total issued share capital of the Company as at the date of the Joint Announcement. The total consideration for the Sale Shares is HK\$91,745,280, which is equivalent to HK\$0.256 per Sale Share. Completion took place on 2 May 2025.

Immediately after Completion, the Offeror and parties acting in concert with it owned an aggregate of 358,380,000 Shares, representing approximately 57.3% of the total issued share capital of the Company.

Pursuant to Rule 26.1 of the Takeovers Code, immediately following Completion, the Offeror is required to make an unconditional mandatory cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it (including the Vendor)).

The purpose of this Composite Document is to provide you with, among other things, details of the Offer, the recommendation from the Independent Board Committee to the Independent Shareholders, and the advice from the Independent Financial Adviser in respect of the Offer, together with the Form of Acceptance.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 2.1 and Rule 2.8 of the Takeovers Code, the Independent Board Committee comprising all the non-executive Directors, namely Mr. Ho Wang Shun and Mr. Chen Yiliang, and the independent non-executive Directors, namely, Mr. Lam Chi Wing, Ms. Chung Anita Mei Yiu, Ms. Wu Ching Tung Grace and Mr. Lo Kwok Loong Sammy, who have no direct or indirect interest in the Offer, has been established by the Board to advise the Independent Shareholders as to whether the Offer is fair and reasonable and as to the acceptance of the Offer.

Nuada Limited has been appointed by the Company, with the approval of the Independent Board Committee, to advise the Independent Board Committee in connection with the Offer and, in particular, as to whether the Offer are fair and reasonable and as to the acceptance of the Offer.

You are advised to read the "Letter from the Independent Board Committee" addressed to the Independent Shareholders, the "Letter from the Independent Financial Adviser" and the additional information contained in the appendices to this Composite Document before taking any actions in respect of the Offer.

UNCONDITIONAL MANDATORY CASH OFFER

As at the Latest Practicable Date, the Company had 625,000,000 Shares in issue and the Company did not have any other outstanding Shares, warrants, options, derivatives or other securities which are convertible into Shares or exchangeable into Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code).

Immediately prior to Completion, (i) none of the Offeror and the parties acting in concert with it (excluding the Vendor) was interested in any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code); and (ii) the Vendor was interested in 358,380,000 Shares, i.e. the Sale Shares.

Immediately after Completion, the Offeror and parties acting in concert with it owned an aggregate of 358,380,000 Shares, representing approximately 57.3% of the total issued share capital of the Company.

Pursuant to Rule 26.1 of the Takeovers Code, immediately following Completion, the Offeror is required to make an unconditional mandatory cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it (including the Vendor)).

Principal terms of the Offer

Sunhigh Financial is making, on behalf of the Offeror, the Offer on the following basis:

The Offer Price of HK\$0.256 per Offer Share under the Offer is the same as the price per Sale Share of HK\$0.256 payable by the Offeror pursuant to the Sale and Purchase Agreement.

As at the Latest Practicable Date, (a) no dividends or distributions had been declared but unpaid; and (b) there was no intention for the Company to make, declare or pay any dividends or distributions.

Comparison of the Offer Price

The Offer Price of HK\$0.256 per Offer Share represents:

- (i) a discount of approximately 40.5% to the closing price of HK\$0.430 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 18.7% to the closing price of HK\$0.315 per Share as quoted on the Stock Exchange on 28 April 2025, being the last trading day before the date on which the Offer Period has commenced:
- (iii) a discount of approximately 26.9% to the closing price of HK\$0.35 per Share as quoted on the Stock Exchange before the publication of the April Announcement on 29 April 2025, being the date on which the Offer Period has commenced;
- (iv) a discount of approximately 28.9% to the closing price of HK\$0.360 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (v) a discount of approximately 21.0% to the average closing price of approximately HK\$0.324 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;

- (vi) a discount of approximately 18.5% to the average closing price of approximately HK\$0.314
 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day;
- (vii) a discount of approximately 23.1% to the average closing price of approximately HK\$0.333 per Share as quoted on the Stock Exchange for the thirty (30) consecutive trading days up to and including the Last Trading Day;
- (viii) a discount of approximately 17.5% to the audited consolidated net asset value per Share of the Company as at 31 March 2024 of approximately HK\$0.310 (which is calculated by dividing the total equity of the Company as at 31 March 2024 of approximately HK\$193,862,000 as disclosed in the consolidated statement of financial position of the Company set out in its annual report for the year ended 31 March 2024 by 625,000,000 Shares in issue as at the Latest Practicable Date);
- (ix) a discount of approximately 8.9% to the unaudited consolidated net asset value per Share of the Company as at 30 September 2024 of approximately HK\$0.281 (which is calculated by dividing the total equity of the Company as at 30 September 2024 of approximately HK\$175,875,000 as disclosed in the unaudited condensed consolidated statement of financial position of the Company set out in its interim report for the six months ended 30 September 2024 by 625,000,000 Shares in issue as at the Latest Practicable Date); and
- (x) a discount of approximately 12.9% to the unaudited consolidated net asset value per Share of the Company as at 31 March 2025 of approximately HK\$0.294 (which is calculated by dividing the total equity of the Company as at 31 March 2025 of approximately HK\$183,563,000 as disclosed in the unaudited consolidated statement of financial position of the Company set out in its annual results announcement for the year ended 31 March 2025 by 625,000,000 Shares then in issue as at the Latest Practicable Date).

Highest and lowest closing prices of the Shares

During the Relevant Period, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.530 per Share on 27 December 2024 and 10 January 2025; and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.290 per Share on 11 April 2025.

Total value of the Offer

Your attention is drawn to the section headed "Total value of the Offer" in the "Letter from Sunhigh Financial" contained in this Composite Document which sets out the total value of the Offer.

INFORMATION ON THE GROUP

The Company was incorporated in the Cayman Islands on 24 July 2020 as an exempted company with limited liability. The Group is principally engaged in (i) the distribution of IT products in Hong Kong, Macau and the PRC; and (ii) provision of system integrated solutions for IT systems involving integration of system design, development and/or implementation of hardware and software, hardware and software coordination, system configuration, and technical and maintenance support service in these regions.

Your attention is drawn to Appendices II and III to this Composite Document which contain financial information and general information of the Group.

SHAREHOLDING STRUCTURE OF THE COMPANY

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

	Immediately prior to the Completion		Immediately after the Completion and as at the Latest Practicable Date	
	Number of	Approximately	Number of	Approximately
	Shares	%	Shares	%
The Offeror and parties acting in concert with it				
the Offeror	_	_	358,380,000	57.3
Parties acting in concert with the Offeror				
(excluding the Vendor) (Note 1)	_	_	_	_
the Vendor (Note 2)	358,380,000	57.3	-	-
Sub-total of the Offeror and the				
parties acting in concert with it	358,380,000	57.3	358,380,000	57.3
Other public shareholders	266,620,000	42.7	266,620,000	42.7
Total	625,000,000	100.00	625,000,000	100.00

Notes:

1. By virtue of the provision of the Facilities by Sunhigh Financial (as lender) to the Offeror to part finance the Offer, Sunhigh Financial was presumed to be acting in concert with the Offeror under class (9) of the definition of "acting in concert" under the Takeovers Code until all amounts owed, if any, by the Offeror under the Facilities has been fully repaid, or the termination of the Facilities, pursuant to the terms and conditions of the Loan Agreement (as supplemented). Sunhigh Financial did not hold any Shares as at the Latest Practicable Date.

- 2. The Vendor is wholly and beneficially owned by Mr. Ip, the chairman of the Board and an executive Director. Since the Balance of Consideration will be settled after Completion, the Vendor 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 full settlement of the Balance of Consideration by the Offeror.
- 3. Save as disclosed in Note 2 above, there was no other Director holding any Shares (i) as immediately before Completion; and (ii) immediately after Completion and as at the Latest Practicable Date.

INFORMATION ON THE OFFEROR

Your attention is drawn to the section headed "INFORMATION ON THE OFFEROR" in the "Letter from Sunhigh Financial" contained in this Composite Document.

INTENTION OF THE OFFEROR IN RELATION TO THE COMPANY

Your attention is drawn to the section headed "INTENTION OF THE OFFEROR IN RELATION TO THE COMPANY" in the "Letter from Sunhigh Financial" contained in this Composite Document.

The Company is principally engaged in the provision of information technology ("IT") solutions, including distribution of IT products and provision of system integrated solutions for IT systems in Hong Kong, Macau and the PRC, as set out in the section headed "Information on the Group – Principal business" below. The Offeror's investment in the Company was made having considered, among other things, the Company's principal businesses align with emerging trends in IT across various industries and business sectors in Hong Kong, the PRC and around the world, which positions it as a key enabler for digital transformation and artificial intelligence ("AI") adoption.

With his background in, among other things, digital and intelligent solutions in the fields of procurement, logistics and supply chain management, Mr. Yan believes that the Company's principal businesses keenly align with the emerging technology trends, including the push for AI development and digital transformation, in many business sectors in Hong Kong, the PRC and around the world. As AI becomes increasingly integrated into enterprise IT infrastructure, the Offeror believes that the demand for high-performance computing, secure data management and unified communications will surge. With (i) increased reliance on cloud computing, automation, and smart logistics; and (ii) the burgeoning AI industry in the PRC, the Company as a distributor of IT products and a provider of end-to-end IT infrastructure solutions services would position itself as to take advantage in the market to serve its customers in their endeavouring to adopt digital upgrades and AI technology across different industries. Given China's focus on becoming a global leader in AI by 2030 according to the notice of the State Council of the PRC (the "State Council document [2017] No. 35), the Offeror considers that the development of the Company's businesses with national policy priorities will be beneficial to the Group in terms of its long-term growth and government support, thereby generate returns to Shareholders in the future.

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 (i) introduce any major changes to the existing operations and business of the Group after the close of the Offer, (ii) redeploy or dispose of any of the assets (including fixed assets) of the Group other than in the ordinary course of business and (iii) downsize, cease or dispose of existing business and assets 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 had been identified nor had 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 Latest Practicable Date, save as set out in the section headed "BOARD COMPOSITION OF THE COMPANY" in the "Letter from Sunhigh Financial" contained in this Composite Document, the Offeror had no intention to make material changes to the employment of employees or other personnel of the Group. However, the Offeror reserves the right to make any changes that it deems necessary or appropriate to the benefit of the Group. Any changes to the members of the Board will be made in compliance with the Takeovers Code and the Listing Rules.

The Board is aware of the Offeror's intention in relation to the Group and is willing to render cooperation with the Offeror and will continue to act in the best interests of the Group and the Shareholders as a whole.

PROPOSED CHANGE OF BOARD COMPOSITION

Your attention is drawn to the section headed "BOARD COMPOSITION OF THE COMPANY" in the "Letter from Sunhigh Financial" contained in this Composite Document.

The Board notes that it is the intention of the Offeror to nominate Mr. Yan and Mr. Wang Guan ("Mr. Wang") as executive Directors to the Board, with effect from the day after the despatch of this Composite Document. The Offeror is in the course of identifying additional candidates for the Board subject to compliance with the Takeovers Code and the Listing Rules. Further announcement(s) will be made by the Company regarding changes in the Board composition when such changes come into effect, and as and when appropriate.

PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY

Your attention is drawn to the section headed "PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY" in the "Letter from Sunhigh Financial" contained in this Composite Document.

The Board notes that the Offeror intends the Company to remain listed on the Stock Exchange.

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25%, of the issued Shares (excluding treasury shares) are held by the public, or if the Stock Exchange believes that:

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

it will consider exercising its discretion to suspend dealings in the Shares.

The sole director of the Offeror and the new Directors to be appointed to the Board have jointly and severally undertaken to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares, which may include but is not limited to placing down of sufficient number of Accepted Offer Shares by the Offeror and/or issue of additional Shares by the Company for this purpose. No arrangements had been confirmed or put in place as at Latest Practicable Date. Further announcement(s) will be made in this respect in accordance with the requirements of the Listing Rules and the Takeovers Code as and when appropriate.

CONFLICT OF INTEREST

As at the Latest Practicable Date, due to the deferral in payment of the Balance of Consideration by the Offeror to the Vendor until after Completion, the Vendor was presumed to be acting in concert with the Offeror under class (9) of the definition of "acting in concert" under the Takeovers Code until full settlement of the Balance of Consideration by the Offeror. The Vendor is wholly and beneficially owned by Mr. Ip, the chairman of the Board and an executive Director. To avoid any conflict of interest, Mr. Ip had not joined with the remainder of the Board in the expression of its views on the Offer.

RECOMMENDATIONS

Your attention is drawn to the "Letter from the Independent Board Committee" and the "Letter from the Independent Financial Adviser" in this Composite Document, which contain, among other things, the advice of the Independent Financial Adviser and the Independent Board Committee in relation to the Offer and the principal factors considered by them in arriving at their recommendations, and in particular, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer.

ADDITIONAL INFORMATION

You attention is drawn to additional information set out in the appendices to this Composite Document. You are also recommended to read carefully the "Letter from Sunhigh Financial" in this Composite Document as well as and the accompanying Form of Acceptance.

If you are in doubt about your position in connection with the Offer, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

Yours faithfully
By order of the Board
MTT Group Holdings Limited

Ip Ka Wai Charlie
Chairman