



Most Kwai Chung Limited

毛記葵涌有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1716)

Executive Directors:

Iu Kar Ho (*Chairman*)
Luk Ka Chun
Leung Hoi Yui

Registered office:

PO Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

Independent non-executive Directors:

Leung Wai Man
Ho Kwong Yu
Leung Ting Yuk

Principal place of business in Hong Kong:

Unit 8, 16/F, Block B
Tung Chun Industrial Building
11-13 Tai Yuen Street
Kwai Chung, New Territories
Hong Kong

2 April 2026

To the Independent Shareholders:

Dear Sir or Madam,

MANDATORY UNCONDITIONAL CASH OFFER BY



**FOR AND ON BEHALF OF
BRAVE STEED LEGACY LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF
MOST KWAI CHUNG LIMITED
(OTHER THAN THOSE ALREADY OWNED AND/OR AGREED
TO BE ACQUIRED BY BRAVE STEED LEGACY LIMITED
AND PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

References are made to the Joint Announcement dated 12 March 2026 by the Offeror and the Company in relation to, among other things, completion of the Sale and Purchase Agreement and the Offer.

As disclosed in the Joint Announcement, on 5 March 2026 (after trading hours), the Vendor as vendor, the Vendor's Warrantors as vendor's warrantors, the Offeror as purchaser and Dr. Ma as purchaser's warrantor entered into the Sale and Purchase Agreement, pursuant to which the Vendor agreed to sell and the Offeror agreed to purchase the Sale Shares, being 175,500,000 Shares (representing 65% of the total issued share capital of the Company as at the Latest Practicable Date), for a total cash Consideration of HK\$122,200,000 (representing approximately HK\$0.6963 per Sale Share). Completion took place on 12 March 2026. The Consideration was fully settled by the Offeror by (a) as to HK\$80,000,000, its internal resources; and (b) as to the balance of HK\$42,200,000, the proceeds of the Offeror's drawdown of the Loan Facility.

Immediately prior to Completion, none of the Offeror, Dr. Ma, and parties acting in concert with any of them owns, control or has direction over any Share or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. Immediately upon Completion and as at the Latest Practicable Date, the Offeror, Dr. Ma, and parties acting in concert with any of them are in aggregate interested in 175,500,000 Shares, representing 65% of the total issued share capital of the Company. Save for the above, none of the Offeror, Dr. Ma, and parties acting in concert with any of them was interested in any other Shares.

Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make the Offer for all the issued Shares not already owned or agreed to be acquired by the Offeror, Dr. Ma, and parties acting in concert with any of them. The terms of the Offer are set out in this Composite Document and the Form of Acceptance.

The purpose of this Composite Document (of which this letter forms part) is to provide you with, among other things, (i) further information relating to the Group, the Offeror, Dr. Ma and parties acting in concert with any of them and the Offer; (ii) the letter from Kingston Securities containing, among others, the details of the Offer; (iii) the letter from the Independent Board Committee containing its recommendations to the Independent Shareholders in respect of the Offer; and (iv) the letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders in respect of the terms of the Offer and as to the acceptance of the Offer.

Terms used in this letter shall have the same meanings as those defined in this Composite Document unless the context otherwise requires.

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 independent non-executive Directors who have no direct or indirect interest in the Offer, namely Mr. LEUNG Wai Man, Mr. HO Kwong Yu and Mr. LEUNG Ting Yuk, has been established to advise the Independent Shareholders as to whether the Offer is, or is not, fair and reasonable and as to the acceptance of the Offer.

Rainbow Capital (HK) Limited has been appointed as the Independent Financial Adviser with the approval of the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code to advise the Independent Board Committee and the Independent Shareholders in respect

of the Offer and, in particular, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer. The advice of the Independent Financial Adviser and the recommendations of the Independent Board Committee are included in the Composite Document despatched to the Independent Shareholders.

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

You are strongly advised to read the “Letter from the Independent Board Committee” 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 action in respect of the Offer.

THE OFFER

Principal terms of the Offer

As disclosed in the “Letter from Kingston Securities” in this Composite Document, Kingston Securities is making the Offer for and on behalf of the Offeror in compliance with the Takeovers Code on the following basis:

Offer Price for each Offer Share HK\$0.6963 in cash

The Offer Price of HK\$0.6963 per Offer Share is approximately the same but not less than the price per Sale Share paid by the Offeror under the Sale and Purchase Agreement.

The Offer is unconditional in all respects.

The Offer is extended to all Independent Shareholders in accordance with the Takeovers Code. The Offer Shares to be acquired under the Offer shall be fully paid and free from all encumbrance and together with all rights and benefits attached thereto, including all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, that is, the date of despatch of this Composite Document.

The Offeror will not increase the Offer Price. Shareholders and potential investors should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Offer Price and the Offeror does not reserve the right to increase the Offer Price.

As at the Latest Practicable Date, the Company has 270,000,000 Shares in issue and the Company does not have any other outstanding Shares, options, warrants, derivatives or other securities which are convertible or exchangeable into Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) and has not entered into any agreement for the issue of such options, derivatives, warrants or other relevant securities which are convertible or exchangeable into Shares.

The Company confirms that as at the Latest Practicable Date, (i) it has not declared any dividend which is not yet paid; and (ii) it does not have any intention to declare or pay any future dividend or make other distributions prior to and including the date of closing of the Offer. If, after the Latest Practicable Date, any dividend or other distribution is made or paid in respect of the Offer Shares, the Offeror will reduce the Offer Price by an amount equal to the gross amount of such dividend or other distribution receivable by the Independent Shareholders pursuant to Note 3 to Rule 26.3 and Note 11 to Rule 23.1 of the Takeovers Code.

Further details of the Offer

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 can be found in the “Letter from Kingston Securities” and “Appendix I — Further Terms and Procedures of Acceptance of the Offer” to this Composite Document and the accompanying Form of Acceptance.

INFORMATION ON THE GROUP

The Company is a company incorporated in the Cayman Islands with limited liability, and the Shares of which are listed on the Main Board of the Stock Exchange. The principal activity of the Company is investment holding and its major operating subsidiaries are principally engaged in the provision of integrated advertising and media services which can be categorized into (i) digital media services; (ii) print media services; and (iii) other media, innovative trend business and other professional services which include events organisation and artistes management.

Financial and general information in relation to the Group are set out in Appendices II and III to this Composite Document.

SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date, the authorised share capital of the Company was HK\$3,800,000 divided into 380,000,000 ordinary shares, and there are 270,000,000 Shares in issue. The Company does not have any outstanding options, warrants or derivatives or other relevant securities in the Company (as defined in Note 4 to Rule 22 of the Takeovers Code).

The shareholding structure of the Company (i) immediately prior to Completion; and (ii) immediately following the Completion and as at the Latest Practicable Date are set forth as follows:

	Immediately prior to Completion		Immediately following Completion and as at the Latest Practicable Date	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
The Offeror and parties acting in concert with it				
— Offeror	<u>—</u>	<u>—</u>	<u>175,500,000</u>	<u>65.0</u>
Sub-total	—	—	175,500,000	65.0
The Vendor and parties acting in concert with it ⁽¹⁾				
— The Vendor ⁽²⁾	175,500,000	65.0	—	—
— Parties acting in concert with the Vendor ⁽³⁾	<u>6,750,000</u>	<u>2.5</u>	<u>6,750,000</u>	<u>2.5</u>
Sub-total	182,250,000	67.5	6,750,000	2.5
Independent Shareholders	<u>87,750,000</u>	<u>32.5</u>	<u>87,750,000</u>	<u>32.5</u>
Total	<u>270,000,000</u>	<u>100.0</u>	<u>270,000,000</u>	<u>100.0</u>

Notes:

- On 25 January 2022, the Vendor transferred 6,750,000 Shares in total (the “Staff Shares”) to Ms. Leung Hoi Yui (an executive Director), Mr. Chui Cheung Lam (previously the head of creative of the Group at the time of the transfer of the Staff Shares, and currently a shareholder of 40% in and one of the directors of Antisocial Media Limited (an indirect non-wholly owned subsidiary of the Company)), Mr. Yuen Kam Shing (the head of art and design of the Group) and Mr. Wong Kar Wai (collectively, the “Staff”). Pursuant to the deed of concert parties dated 25 January 2022 entered into among the Vendor, Mr. Iu, Mr. Luk and the Staff, each of the Staff has undertaken to act in concert with the Vendor, Mr. Iu and Mr. Luk as one party in casting votes on all matters of the Company so long as he/she remains interested in all or any of the said Shares.
- The Vendor is legally and beneficially owned as to 50% and 50% by Mr. Iu and Mr. Luk (i.e. the Vendor’s Warrantors), respectively.
- Parties acting in concert with the Vendor comprise the Staff. The Staff Shares are legally and beneficially held as to 1,687,500 Shares, 1,687,500 Shares, 1,687,500 Shares and 1,687,500 Shares (representing 0.625%, 0.625%, 0.625% and 0.625% of the total issued share capital of the Company as at the date of this joint announcement, respectively) by Ms. Leung Hoi Yui (an executive Director), Mr. Chui Cheung Lam, Mr. Yuen Kam Shing and Mr. Wong Kar Wai, respectively.
- Save for the holding of 1,687,500 Shares by Ms. Leung Hoi Yui (an executive Director), no other Director holds any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company 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 Kingston Securities” as set out in this Composite Document.

INTENTIONS OF THE OFFEROR REGARDING THE GROUP

Your attention is drawn to the section headed “Intention of the Offeror regarding the Group” in the “Letter from Kingston Securities” as set out in this Composite Document.

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.

PROPOSED CHANGE OF BOARD COMPOSITION OF THE COMPANY

Your attention is drawn to the section headed “Proposed Changes in Composition of the Board” in the “Letter from Kingston Securities” as set out in this Composite Document.

The Board currently comprises six Directors, namely Mr. IU Kar Ho (Chairman), Mr. LUK Ka Chun and Ms. LEUNG Hoi Yui as the executive Directors; and Mr. LEUNG Wai Man, Mr. HO Kwong Yu and Mr. LEUNG Ting Yuk as the independent non-executive Directors.

The Offeror intends to nominate new director(s) to the Board with effect from a date which is no earlier than that permitted under the Listing Rules and the Takeovers Code or such later time as the Offeror considers to be appropriate. The Offeror has nominated Dr. Ma to be a new director of the Company but is still in the course of identifying additional candidates for the Board. Save for the above, as at the Latest Practicable Date, the Offeror has not reached any final decision as to (i) who will be nominated as new Director(s) of the Company; and (ii) the final composition of the Board.

Any changes to the Board will be made in compliance with the Takeovers Code, the Listing Rules and the articles of association of the Company. Further announcement(s) will be made in this regard as and when appropriate.

PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY

As disclosed in the paragraph headed “Public Float and Maintaining the Listing Status of the Company” in the “Letter from Kingston Securities” as set out in this Composite Document, the Board is aware that the Offeror intends to maintain the listing of the Shares on the Stock Exchange after the close of the Offer.

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 at all times, 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 Board is aware that the sole director of the Offeror has undertaken, and the new Director(s) to be appointed to the Board (if any) will jointly and severally undertake, to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in Shares after the close of the Offer.

RECOMMENDATION

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

Your attention is drawn to (i) the “Letter from the Independent Board Committee” as set out on pages 25 to 26 of this Composite Document which contains its recommendation to the Independent Shareholders as to whether the Offer is, or is not, fair and reasonable and as to the acceptance of the Offer; and (ii) the “Letter from the Independent Financial Adviser” as set out on pages 27 to 46 of this Composite Document which contains its advice to the Independent Board Committee and the Independent Shareholders in connection with the Offer and the principal factors considered by it in arriving at its advice.

ADDITIONAL INFORMATION

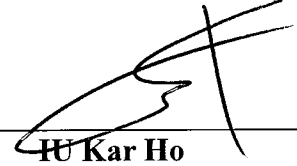
Your attention is drawn to the additional information contained in the appendices to the Composite Document. Further details on the terms and the procedures for acceptance of the Offer are set out in Appendix I “Further Terms and Procedures for Acceptance of the Offer” to the Composite Document and the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

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

Yours faithfully,

For and on behalf of the Board

Most Kwai Chung Limited



A handwritten signature in black ink, consisting of several fluid, overlapping strokes, positioned above a horizontal line.

Ho Kar Ho

Chairman and Executive Director