MS GROUP HOLDINGS LIMITED
萬成集團股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1451)

Executive Directors:
Mr. Chau Ching *(Chairman)*
Mr. Chung Kwok Keung Peter *(Chief Executive Officer)*
Mr. Chau Wai
Mr. Chung Leonard Shing Chun
Ms. Lo Siu Fun Helena

Independent non-executive Directors:
Mr. Asvaintra Bhanusak
Mr. Seto John Gin Chung
Mr. Yu Hon To David

Registered office:
Cricket Square
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P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

Headquarters and principal place of business in Hong Kong:
Room 907, 9/F.,
Enterprise Square Tower 1
9 Sheung Yuet Road
Kowloon Bay
Hong Kong

31 August 2026

To the Offer Shareholders and the Offer Optionholders,

Dear Sir/Madam,

MANDATORY UNCONDITIONAL CASH OFFERS BY RAINBOW CAPITAL (HK) LIMITED FOR AND ON BEHALF OF L.V.E.P. HOLDINGS LIMITED TO ACQUIRE ALL THE ISSUED SHARES OF, AND TO CANCEL ALL THE OUTSTANDING OPTIONS OF, MS GROUP HOLDINGS LIMITED (OTHER THAN THE EXCLUDED SHARES AND THE EXCLUDED OPTIONS)

INTRODUCTION

Reference is made to the Joint Announcement jointly published by the Offeror and the Company dated 5 May 2026 in relation to, among other things, the Sale and Purchase Agreement and the Offers. Terms used in this letter shall have the same meanings as those defined in this Composite Document unless the context otherwise requires.

As disclosed in the Joint Announcement, on 20 April 2026 (after trading hours), Mr. Chau and Ching Wai Holdings (as vendors), and Mr. Chung and L.V.E.P. (as purchasers) entered into the Sale and Purchase Agreement, pursuant to which Mr. Chau shall procure Ching Wai Holdings to sell, and Ching Wai Holdings shall sell as legal and beneficial owner, and Mr. Chung shall procure L.V.E.P. to purchase, and L.V.E.P. shall purchase, the Sale Shares, being 75,000,000 Shares, representing approximately 36.69% of the total issued share capital of the Company as at the date of the Joint Announcement, free from all Encumbrances and third party rights and together with all rights attached thereto as at Completion, for a total cash Consideration of HK$60,000,000, equivalent to HK$0.80 per Sale Share.

Completion took place immediately after the entering into of the Sale and Purchase Agreement by the Vendors and the Purchasers on the Completion Date, being 20 April 2026, on which the Consideration has been fully settled by the Purchasers in cash in accordance with the terms of the Sale and Purchase Agreement. The Consideration was financed by the Offeror's own financial resources, which were funded by Mr. Chung's personal wealth. Upon Completion, Ching Wai Holdings ceased to hold any Shares and was no longer a Shareholder.

Immediately prior to Completion, the Offeror, Mr. Chung and Mr. Leonard Chung were interested in an aggregate of 72,572,000 Shares, representing approximately 35.50% of the issued share capital of the Company. Immediately following Completion and as at the Latest Practicable Date, the Offeror, Mr. Chung and Mr. Leonard Chung are interested in an aggregate of 147,572,000 Shares, representing approximately 72.20% of the issued share capital of the Company.

In addition, as at the Latest Practicable Date, Mr. Chung and Mr. Leonard Chung hold Mr. Chung's Options and LC's Options, respectively, which were granted to them pursuant to the Share Option Scheme and entitle them to subscribe for a total of 1,960,000 new Shares, representing approximately 0.96% of the issued share capital of the Company. Details of such Options are included in the table set forth in the section headed "THE OFFERS — II. The Option Offer" in the "Letter from Rainbow Capital" as contained in this Composite Document.

Accordingly, pursuant to Rules 13.1, 13.5 and 26.1 of the Takeovers Code, the Offeror is required to make mandatory unconditional cash offers to acquire all of the Offer Shares and to cancel all the Offer Options. The Offers will be made to the Offer Shareholders and Offer Optionholders. The Offers will be unconditional in all respects when made and will not be conditional upon acceptances being received in respect of a minimum number of Offer Shares and in respect of a minimum number of Offer Options to be cancelled.

The purpose of this Composite Document is to provide you with, among others, details of the Offers, the recommendation from the Independent Board Committee to the Offer Shareholders and the Offer Optionholders, and the advice from the Independent Financial Adviser in respect of the Offers, together with the Form(s) 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 independent non-executive Directors, namely Mr. Yu Hon To David, Mr. Seto John Gin Chung and Mr. Asvaintra Bhanusak, has been established to make recommendations to the Offer Shareholders and the Offer Optionholders as to whether the Offers are fair and reasonable and as to the acceptance of the Offers.

Messis Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offers and as to whether the Offers are fair and reasonable and as to acceptance of the Offers pursuant to Rule 2.1 of the Takeovers Code. Such appointment has been approved by the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code.

You are advised to read the "Letter from the Independent Board Committee" addressed to the Offer Shareholders and the Offer Optionholders, 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 Offers.

THE OFFERS

As disclosed in the "Letter from Rainbow Capital" in this Composite Document, Rainbow Capital, for and on behalf of the Offeror, is making the Offers to (i) acquire all the Offer Shares; and (ii) to cancel all the outstanding Offer Options, in accordance with the Takeovers Code and on the terms set out in this Composite Document and in the respective Forms of Acceptance on the following basis:

I. The Share Offer

Offer price for each Offer Share . . . . HK$0.80 in cash

II. The Option Offer

In respect of the Offer Options with an exercise price of HK$0.68 each:

"See-through" cancellation price for each such Offer Option . . . . HK$0.12 in cash

In respect of the Offer Options with an exercise price of HK$1.02 each:

Cancellation price for each such Offer Option . . . . .HK$0.0001 in cash

The Company confirms that, as at the Latest Practicable Date, (i) it has 204,400,000 Shares in issue; (ii) it has not declared any dividend which remains unpaid; (iii) it does not have any intention to declare or pay any future dividend or make other distributions prior to and including the Closing Date; (iv) save for the outstanding Options, the Company does not have any outstanding options, derivatives, warrants or other securities convertible or exchangeable into Shares or which confer rights to require the issue of 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 or which confer rights to require the issue of Shares; (v) it has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in issue other than the Shares; and (vi) it has no intention to grant any new share options under the Share Option Scheme during the offer period (as defined under the Takeovers Code).

Further details of the Offers are set out under the section headed "Letter from Rainbow Capital" and Appendix I to this Composite Document and the accompanying Form(s) of Acceptance, which together set out the terms and conditions of the Offers and certain related information.

INFORMATION ON THE GROUP

The Company was incorporated in the Cayman Islands with limited liability and its issued shares are listed on the Main Board of the Stock Exchange.

The Company is principally engaged in investment holding, while the Group is principally engaged in the production and sales of plastic and stainless steel sports bottles and baby feeding accessories. The two business segments of the Group are (i) the original equipment manufacturing (OEM) Business, which primarily comprises the production and sales of plastic and stainless steel sports bottles and cups for infants and toddlers and plastic sports bottles on an OEM basis predominately for the overseas markets; and (ii) the Yo Yo Monkey Business, which primarily comprises the production and sales of infant and toddler products, particularly plastic bottles and cups, under the brand developed by the Group known as "Yo Yo Monkey (優優馬騮)", principally for the PRC market.

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

UNAUDITED INTERIM FIGURES

As disclosed in the Profit Warning Announcement, the estimate of the Group's consolidated profit attributable to the Shareholders for the four months ended 30 April 2025 and the consolidated loss attributable to the Shareholders for the four months ended 30 April 2026 constitute a profit forecast of the Company under Rule 10 of the Takeovers Code and are therefore required to be reported on in accordance with Note 1(c) to Rules 10.1 and 10.2 and Rule 10.4 of the Takeovers Code. As the Company published the Interim Results Announcement after the publication of the Profit Warning Announcement but prior to the despatch of this Composite Document, the requirement under Rule 10 of the Takeovers Code to report on the aforesaid estimate contained in the Profit Warning Announcement has been superseded by the publication of the Interim Results Announcement.

In this regard, the Unaudited Interim Figures have been reported on by the Independent Financial Adviser and the auditors of the Company, PricewaterhouseCoopers in accordance with Note 1(c) to Rules 10.1 and 10.2 and Rule 10.4 of the Takeovers Code. PricewaterhouseCoopers is of the opinion that, so far as the accounting policies and calculations are concerned, the Unaudited Interim Figures have been properly compiled in accordance with the bases adopted by the Directors and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in the annual report of the Group for the year ended 31 December 2025. The Independent Financial Adviser is satisfied that the Unaudited Interim Figures have been made by the Directors with due care and consideration.

Your attention is drawn to the reports issued by PricewaterhouseCoopers and the Independent Financial Adviser on the Unaudited Interim Figures as set out in Appendix V and Appendix VI to this Composite Document, respectively.

SHAREHOLDING STRUCTURE OF THE COMPANY

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

	Immediately prior to Completion		**Immediately upon Completion and as at the Latest Practicable Date**	
	Number of Shares	*Approximate % of issued Shares*	*Number of Shares*	*Approximate % of issued Shares*
The Vendors and parties acting in concert with them (Note 1)				
— Ching Wai Holdings (Note 2)	75,000,000	36.69	—	—
— Mr. Chau (Note 2)	—	—	—	—
— Mr. Chau Wai (Note 3)	800,000	0.39	800,000	0.39
The Offeror and parties acting in concert with it				
— The Offeror (Note 4)	71,772,000	35.11	146,772,000	71.80
— Mr. Chung (Note 4)	—	—	—	—
— Mr. Leonard Chung	800,000	0.39	800,000	0.39
The Director(s)				
— Ms. Lo	600,000	0.30	600,000	0.30
Public Shareholders	55,428,000	27.12	55,428,000	27.12
Total	204,400,000	100.00	204,400,000	100.00

Notes:

1. For the purpose of this table, "parties acting in concert" with the Vendors excludes the fellow Directors who may be presumed to be acting in concert with Mr. Chau and Mr. Chau Wai under class (6) of the definition of "acting in concert" under the Takeovers Code solely by virtue of their capacity as Directors.

2. Ching Wai Holdings is 100% beneficially owned by Mr. Chau. Accordingly, Mr. Chau is deemed to be interested in the Shares held by Ching Wai Holdings under the SFO.

3. Mr. Chau Wai is a director of Ching Wai Holdings and the son of Mr. Chau. Therefore, Mr. Chau Wai is presumed to be acting in concert with the Vendors under the Takeovers Code.

4. The Offeror is 100% beneficially owned by Mr. Chung. Accordingly, Mr. Chung is deemed to be interested in the Shares held by the Offeror under the SFO.

5. In addition, as at the Latest Practicable Date:

   (i) each of Mr. Chau, Mr. Chung, Mr. Yu Hon To David, Mr. Seto John Gin Chung and Mr. Asvaintra Bhanusak beneficially owns 400,000 Options (comprising 200,000 vested Options with an exercise price of HK$0.68 each, 140,000 vested Options with an exercise price of HK$1.02 each, and 60,000 unvested Options with an exercise price of HK$1.02 each); and

   (ii) each of Mr. Chau Wai, Mr. Leonard Chung and Ms. Lo beneficially owns 1,560,000 Options (comprising 1,092,000 vested Options with an exercise price of HK$1.02 each, and 468,000 unvested Options with an exercise price of HK$1.02 each).

Save as disclosed in the shareholding table above and in this Note 5, no other Directors hold any relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company as at the Latest Practicable Date.

INTENTION ON THE OFFEROR IN RELATION TO THE GROUP

Your attention is drawn to the section headed "INTENTION ON THE OFFEROR IN RELATION TO THE GROUP" in the "Letter from Rainbow Capital" contained in this Composite Document for details regarding Offeror's intention on the business of the Group and the Board composition.

The Board is pleased to note the intention of the Offeror in respect of the Group and its employees and the Board composition as disclosed. The Board is of the view that such intentions will provide stability to the Group's operations and ensure continued job security for its staff. 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 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 Rainbow Capital" contained in this Composite Document.

The Board notes that the Offeror intends to maintain the listing status of the Shares on the Stock Exchange after the close of the Offers, and that the directors of the Offeror and the Directors have jointly undertaken to the Stock Exchange that if, at the close of the Offers, 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. The Company will make an application to the Stock Exchange for a temporary waiver from strict compliance with Rule 13.32B of the Listing Rules in case less than 25% of the Shares will be held by the public upon the close of the Offers in accordance with Rule 13.33 of the Listing Rules..

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 others, the advice of the Independent Financial Adviser and the Independent Board Committee in relation to the Offers and the principal factors considered by them in arriving at their recommendations, and in particular, as to whether the terms of the Offers are fair and reasonable and as to the acceptance of the Offers.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information contained in the appendices to this Composite Document. You are also recommended to read carefully the "Letter from Rainbow Capital" in, and Appendix I to this Composite Document as well as and the accompanying Forms of Acceptance.

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

By order of the Board of
MS Group Holdings Limited

Mr. Chau Ching
Chairman and executive Director