



國泰海通
GUOTAI HAITONG

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GUOTAI JUNAN INTERNATIONAL

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8 Connaught Place, Central

2 January 2026

To the Offer Shareholders

Dear Sir or Madam,

**VOLUNTARY UNCONDITIONAL GENERAL CASH OFFER BY
GUOTAI JUNAN SECURITIES (HONG KONG) LIMITED AND
CMBC SECURITIES COMPANY LIMITED
ON BEHALF OF EMPIRE CHARM LIMITED
TO ACQUIRE ALL OF THE ISSUED SHARES OF
HENGDELI HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY BENEFICIALLY OWNED BY
EMPIRE CHARM LIMITED AND MS. FUNG)**

INTRODUCTION

On 28 November 2025, the Offeror and the Company jointly announced that Guotai Junan Securities and CMBC Securities, on behalf of the Offeror, will make a voluntary unconditional general cash offer to acquire all the issued shares of the Company (other than those already beneficially owned by the Offeror and Ms. Fung) at the Offer Price of HK\$0.14 per Offer Share.

As at the Latest Practicable Date, there were 4,404,018,959 Shares in issue, of which 2,289,871,035 Shares will be subject to the Offer, and there is no treasury share in issue. In addition, as at the Latest Practicable Date, the Company has no other shares, options, warrants, derivatives or other securities that are convertible or exchangeable into Shares or other types of equity interest.

This letter forms part of this Composite Document and sets out certain background information of the Offeror, the reasons for making the Offer and the intention of the Offeror in relation to the Company. The terms of the Offer are set out in this letter, Appendix I to this Composite Document and in the accompanying Form of Acceptance.

Your attention is drawn to the letter from the Board on pages 16 to 19, the letter from the Independent Board Committee on pages 20 to 21 and the letter from the Independent Financial Adviser on pages 22 to 55 in this Composite Document.

THE OFFER

Offer Price

The Offer is being made by Guotai Junan Securities and CMBC Securities on behalf of the Offeror at the following price:

For each Offer Share HK\$0.14 in cash

The Offer is unconditional.

Offer Shares to be acquired

All the Offer Shares to be acquired under the Offer shall be (i) fully-paid; (ii) free from mortgage, charge, pledge, lien, equities, encumbrances or other third party rights and interests of any nature; and (iii) together with all rights attached to the Shares including all rights to any dividends and other distributions hereafter declared, paid or made in respect thereof as at the Closing Date or subsequently becoming attached to them, including the right to receive or retain all dividends and other distributions, if any, the record date of which falls on or after the Closing Date.

As at the Latest Practicable Date, the Company has no declared but unpaid dividends, distributions and/or other return of capital. The Company confirms that as at the Latest Practicable Date, it does not have any intention to make, declare or pay any further dividends or make other distributions, the record date of which falls (i) on or after the Latest Practicable Date and (ii) on or before the close or lapse of the Offer. If, after the Latest Practicable Date, any dividend or distribution is declared in respect of the Offer Shares, the Offeror reserves the right to reduce the Offer Price by an amount equal to the gross amount of such dividend or distribution declared, made or paid in respect of each Offer Share, in which case any reference in the Joint Announcement, the Composite Document or any other announcement or document to the Offer Price will be deemed to be a reference to the Offer Price as so reduced. Any such reduction will only apply to those Offer Shares in respect of which the Offeror will not be entitled to the relevant dividend, distribution and/or return of capital.

VALUE OF THE OFFER

Comparison of value

The Offer Price of HK\$0.14 per Offer Share represents:

- (i) a premium of approximately 0.72% over the closing price of HK\$0.139 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

- (ii) a premium of approximately 12.00% over the closing price of HK\$0.125 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a premium of approximately 14.75% over the average closing price of HK\$0.122 per Share as quoted on the Stock Exchange for the five (5) trading days up to and including the Last Trading Day;
- (iv) a premium of approximately 17.61% over the average closing price of HK\$0.119 per Share as quoted on the Stock Exchange for the thirty (30) trading days up to and including the Last Trading Day;
- (v) a discount of approximately 82.21% to the Company's audited consolidated net asset value attributable to Shareholders per Share of approximately RMB0.73 (equivalent to approximately HK\$0.79) as at 31 December 2024, calculated based on (i) the Company's audited consolidated net assets attributable to Shareholders of approximately RMB3,209,574,000 as at 31 December 2024; (ii) 4,404,018,959 Shares in issue as at 31 December 2024; and (iii) the exchange rate of RMB1.0: HK\$1.0799, being the central parity rate of RMB to HK\$ as announced by the People's Bank of China on 31 December 2024 for illustrative purposes only;
- (vi) a discount of approximately 82.07% to the Company's unaudited consolidated net asset value attributable to Shareholders per Share of approximately RMB0.71 (equivalent to approximately HK\$0.78) as at 30 June 2025, calculated based on (i) the Company's unaudited consolidated net assets attributable to Shareholders of approximately RMB3,135,163,000 as at 30 June 2025; (ii) 4,404,018,959 Shares in issue as at 30 June 2025; and (iii) the exchange rate of RMB1.0: HK\$1.0966, being the central parity rate of RMB to HK\$ as announced by the People's Bank of China on 30 June 2025 for illustrative purposes only; and
- (vii) a discount of approximately 83.07% to the Adjusted NAV per Share of approximately RMB0.75 (equivalent to approximately HK\$0.83) (i.e. the unaudited consolidated net asset value of the Group attributable to Shareholders as at 30 June 2025 as adjusted by the fair value changes arising from the valuation of all the property interests of the Group as at 30 September 2025 as set out in Appendix III to this Composite Document, the calculation of which is set out in Appendix II to this Composite Document).

The Offer Price of HK\$0.14 per Offer Share was determined on an arm's length commercial basis after taking into account, among other things, the prospects of the Company, the trading liquidity and the historical closing prices of the Shares on the Stock Exchange and with reference to other similar transactions in Hong Kong in recent years.

Highest and lowest closing prices of the Shares

The highest and lowest closing prices of each Share as quoted on the Stock Exchange during the Relevant Period were HK\$0.140 on 15, 16 and 29 December 2025 and HK\$0.097 on 2 June 2025, respectively.

Total consideration of the Offer

The Company has a total of 4,404,018,959 Shares in issue, of which 2,289,871,035 Shares will be subject to the Offer, and there is no treasury share in issue. Assuming (i) that there is no change in the number of issued Shares between the Latest Practicable Date and the Closing Date; and (ii) full acceptance of the Offer, based on the Offer Price of HK\$0.14 per Offer Share, the total cash consideration payable by the Offeror under the Offer would be approximately HK\$320,581,945.

Confirmation of financial resources

The Offeror intends to finance the cash consideration payable by the Offeror under the Offer through a combination of internal resources and a facility provided by CMBC Securities (the “**Facility**”). The Joint Financial Advisers are satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer in accordance with its terms.

The Facility will be secured by, amongst others, the maintenance of the Shares held or to be acquired under the Offer by the Offeror and certain amount of cash in certain accounts maintained with CMBC Securities as collateral, which shall take effect on certain days after the expiry of the Offer Period until the repayment of the Facility. Other than as disclosed above and any potential dividend of the Company which may be declared in the ordinary course of business of the Company or otherwise subject to compliance with the relevant laws and regulations (which, if and when declared, the Offeror may elect to utilize any amounts received from such dividend to repay the facility), the Offeror confirms that the payment of interest on, repayment of or security for any existing liability (contingent or otherwise) in relation to the Facility will not depend on the business of the Company in any significant extent.

SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date, there were 4,404,018,959 Shares in issue and there was no treasury share in issue.

The following table sets out the shareholding structure of the Company as at the Latest Practicable Date:

Name of Shareholders	As at the Latest Practicable Date	
	Number of Shares	Approximate % (Note 8)
Offeror (Note 1)	1,365,245,877	31.00
Ms. Fung (Note 2)	748,902,047	17.00
Ms. Cheung (Note 3)	144,011,420	3.27
Ms. Xiao (Note 4)	19,516,000	0.44

Name of Shareholders	As at the Latest Practicable Date	
	Number of Shares	Approximate % (Note 8)
<i>Sub-total of Offeror, Ms. Fung, Ms. Cheung and Ms. Xiao</i>	2,277,675,344	51.72
Mr. Lee Shu Chung, Stan (Note 5)	5,920,000	0.13
The Swatch Group (Hong Kong) Limited (Note 6)	437,800,000	9.94
<i>Subtotal of the Offeror and the Offeror Concert Parties (Note 7)</i>	2,721,395,344	61.79
Other Shareholders	1,682,623,615	38.21
Total Offer Shares	2,289,871,035	52.00
Total issued Shares	4,404,018,959	100.00

Notes:

- Mr. Cheung owns 100% of the issued share capital of the Offeror, which in turn holds 1,365,245,877 Shares as at the Latest Practicable Date.
- Ms. Fung is the mother of Mr. Cheung, the latter being the ultimate beneficial owner of 100% share capital in the Offeror. Accordingly, Ms. Fung is presumed to be acting in concert with the Offeror in relation to the Company in accordance with classes (1) and (8) of the definition of “acting in concert” under the Takeovers Code.
- Ms. Cheung is the sister of Mr. Cheung, the latter being the ultimate beneficial owner of 100% share capital in the Offeror. Accordingly, Ms. Cheung is presumed to be acting in concert with the Offeror in relation to the Company in accordance with classes (1) and (8) of the definition of “acting in concert” under the Takeovers Code.
- Ms. Xiao is the grandmother of Mr. Cheung, the latter being the ultimate beneficial owner of 100% share capital in the Offeror. Accordingly, Ms. Xiao is presumed to be acting in concert with the Offeror in relation to the Company in accordance with classes (1) and (8) of the definition of “acting in concert” under the Takeovers Code.
- Mr. Lee Shu Chung, Stan is an executive Director, who is presumed to be acting in concert with the Offeror in accordance with class (6) of the definition of “acting in concert” under the Takeovers Code.

Other than Mr. Cheung and Mr. Lee Shu Chung, Stan, none of the Director held any Shares as at the Latest Practicable Date.
- The Swatch Group (Hong Kong) Limited is a wholly-owned subsidiary of The Swatch Group Limited. The Swatch Group (Hong Kong) Limited is presumed to be acting in concert with the Offeror under classes (1) and (8) of the definition of “acting in concert” by virtue of a joint venture company of which more than 20% interests are held by each of Mr. Zhang (through companies controlled by him) and The Swatch Group (Hong Kong) Limited.

7. Guotai Junan Capital and CMBC International Capital are the Joint Financial Advisers. Accordingly, (i) Guotai Junan Capital and relevant members of the GTJA Group; and (ii) CMBC International Capital and relevant members of the CMBC Group, which hold Shares (or options, warrants or derivatives in respect of them) are presumed to be acting in concert with the Offeror in relation to the Company in accordance with class (5) of the definition of “acting in concert” under the Takeovers Code (except in respect of Shares (or options, warrants or derivatives in respect of them) held on behalf of non-discretionary investment clients of the GTJA Group and the CMBC Group respectively). In addition, CMBC Securities is the facility provider to the Offeror and is presumed to be acting in concert with the Offeror under class (9) of the definition of “acting in concert” under the Takeovers Code.

As at the Latest Practicable Date, members of the GTJA Group and the CMBC Group do not hold any Shares (or options, warrants or derivatives in respect of them), other than Shares (or options, warrants or derivatives in respect of them) held on behalf of non-discretionary investment clients of the GTJA Group and the CMBC Group respectively.

8. The percentage figures are subject to rounding adjustments and, accordingly, figures shown in total in the above table may not be an arithmetic aggregation of the figures preceding them.

As at the Latest Practicable Date, the Company does not have any outstanding options, derivatives, warrants or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) which are convertible or exchangeable into Shares, nor has it entered into any agreement for the issue of such options, derivatives, warranties, securities which are convertible or exchangeable into Shares.

PUBLIC FLOAT AND MAINTENANCE OF LISTING STATUS OF THE COMPANY

The Offeror intends to maintain the listing status of the Company after the close of the Offer and does not intend to exercise any rights to compulsorily acquire all the Shares.

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

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

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

The sole director of the Offeror has undertaken to the Stock Exchange to take appropriate steps if required to ensure that sufficient public float exists in the Shares as a result of the Offer.

REASONS FOR AND BENEFITS OF THE OFFER

Reasons for the Offer

The Offer represents a continuation of Mr. Cheung's commitment to the long-term development and success of the Company. By increasing his shareholding, Mr. Cheung seeks to reinforce his role in guiding the strategic direction of the Company and to further align his interests with those of other Shareholders. The Offer also reflects the ongoing support and continued confidence of his family in the Company.

Benefits to the Company and the Offeror

In recent years, the global environment remained complex and volatile, with uncertainties such as increasing trade barriers, intensifying trade frictions and continuing geopolitical conflicts weighing on the momentum of global economic growth. Under these pressures, PRC's economic growth slowed down but maintained stable amidst multiple domestic and external challenges. Still, the country's economy remained resilient as it carried on with steady and sound development.

During the period, faced with the impact of the operating environment and other factors, the development of the Company's high-end consuming accessories business continued to be under pressure. Due to uncertainties in the international market and slowing domestic economic growth, the high-end consuming accessories business recorded a year-on-year decrease in terms of both sales performance and profit.

As a result, the Company has been facing complex and volatile economic environment. The downward pressure has been reflected in the Company's trading price for recent two years and recent financial performance. Upon completion of the Offer, the Company is expected to optimise its shareholding structure and financial positioning. The Offeror, while fully cognizant of the ongoing short to mid-term risks and uncertainties faced by the Company, remains optimistic about the Company's long-term prospects. The Offer enables the Offeror to provide stronger support to the Company by taking a leading role in driving the Group's development, with the ultimate goal of formulating the long-term business strategy and delivering enhanced long-term value to the Shareholders.

Benefits to the Offer Shareholders

The Offer Shareholders will be given an opportunity to realise all or part of their investment at a premium to the recent trading price of the Shares as set out in the paragraph headed "Comparison of value" above. As the Offeror proposes to retain the listing status of the Company on the Stock Exchange, the Offer also provides flexibility for the Offer Shareholders to retain part of their shareholding interest in the Company if they so wish in order to participate in the future growth of the Company going forward, and to benefit from the future growth and development of the Group.

INTENTION OF THE OFFEROR IN RELATION TO THE GROUP

The Offeror intends to continue with the Group's existing principal business following the completion of the Offer. In particular, the Offeror has no intention to (i) introduce any major changes to the existing business and operation of the Group; (ii) discontinue the employment of any employees of the Group; or (iii) dispose of or re-deploy the fixed assets of the Company, in each case other than those in the ordinary and usual course of business of the Group. As at the Latest Practicable Date, the Offeror has no intention to nominate any new directors to the Board.

The Offeror will continuously review the business of the Group, and the Offeror reserves the right to make any changes that it deems necessary or appropriate to the business and operations of the Group to optimise the value of the Group and in the interests of all Shareholders.

HONG KONG STAMP DUTY

The seller's Hong Kong ad valorem stamp duty arising in connection with acceptance of the Offer will be payable by the relevant Offer Shareholders who accept the Offer at a rate of 0.10% of (i) the consideration payable by the Offeror in respect of the relevant acceptance of the Offer; or (ii) the market value of the Offer Shares, whichever is higher (rounded up to the nearest HK\$1.00), and such stamp duty will be deducted from the cash amount payable by the Offeror to such Offer Shareholders on acceptance of the Offer.

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

Offer 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, Guotai Junan Securities, Guotai Junan Capital, CMBC Securities, CMBC International Capital, the Company and their respective ultimate beneficial owners, directors, officers, 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

The making of the Offer to Offer Shareholders who are not resident in Hong Kong may be affected by the applicable laws and regulations of the relevant jurisdiction in which they reside. Offer Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements in their own jurisdictions and, where necessary, seek their own legal advice. It is the responsibility of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations

of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such accepting Overseas Shareholders in respect of such jurisdictions).

Acceptance of the Offer by any Shareholder will be deemed to constitute a representation and warranty from such Shareholder to the Offeror that the local laws and requirements have been complied with and that the Offer can be accepted by such Shareholder lawfully under the laws of the relevant jurisdiction. Shareholders should consult their professional advisers if in doubt.

Any acceptance of the Offer by any Offer Shareholder will be deemed to constitute a representation and warranty from such persons to the Offeror and their advisers that all local laws and regulatory requirements have been complied with and that the Offer can be accepted by such persons lawfully under the laws of the relevant jurisdiction. Offer Shareholders should consult their professional advisers if in any doubt.

INFORMATION ON THE OFFEROR

The Offeror is a company incorporated in the British Virgin Islands with limited liability on 27 July 2022 and is principally engaged in investment holding. As at the Latest Practicable Date, Mr. Cheung, the chairman of the Board, an executive Director and the chief executive officer of the Company, is the sole shareholder and sole director of the Offeror.

Mr. Cheung joined the Group in 2012, and held positions in the high-end consuming accessories business department and senior management of the Company with extensive management experience in the high-end consuming accessories business. Mr. Cheung is the son of Mr. Zhang Yuping, former chairman and former executive Director of the Company.

FURTHER TERMS OF ACCEPTANCE OF THE OFFER

Further terms of acceptance of the Offer, including, among other things, procedures for acceptance and settlement and the acceptance period, are set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

ADDITIONAL INFORMATION

To ensure equality of treatment of all Offer Shareholders, registered Shareholders who hold Shares as nominees for more than one beneficial owner should, as far as practicable, treat the holding of Shares by each beneficial owner separately. In order for the beneficial owners of Shares whose investments are registered in nominee names (including those whose interests in Shares are held through CCASS) to accept the Offer, it is essential that they provide instructions to their nominees of their intentions with regard to the Offer.

Your attention is drawn to the letter from the Board on pages 16 to 19, the letter from the Independent Board Committee on pages 20 to 21 and the letter from the Independent Financial Adviser on pages 22 to 55 in this Composite Document.

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

Yours faithfully

For and on behalf of
Guotai Junan Capital Limited

A handwritten signature in black ink, appearing to read "Amy Chow", written in a cursive style.

Name: CHOW Wing Suen, Amy
Title: Executive Director

For and on behalf of
CMBC Securities Company Limited

A handwritten signature in blue ink, appearing to read 'Zhang Jinhui', is written over a horizontal line. The signature is stylized and cursive.

Name: Zhang Jinhui
Title: Managing Director