

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of the Offers, this Composite Document and/or the accompanying Forms of Acceptance 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 Shanshan Brand Management Co., Ltd., you should at once hand this Composite Document together with the accompanying Forms of Acceptance to the purchaser(s) or the 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 Forms of Acceptance, the provisions of which form part of the terms of the Offers contained herein.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Composite Document and the accompanying Forms of Acceptance, make no representation as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Composite Document and the accompanying Forms of Acceptance.

杉杉品牌運營股份有限公司
MR. LUO YEFEI SHANSHAN BRAND MANAGEMENT CO., LTD.
(A joint stock company established in the People's Republic of China with limited liability)
(Stock Code: 1749)

(1) MANDATORY CONDITIONAL CASH OFFER BY SDICS INTERNATIONAL SECURITIES (HONG KONG) LIMITED FOR AND ON BEHALF OF MR. LUO YEFEI FOR ALL THE H SHARES IN SHANSHAN BRAND MANAGEMENT CO., LTD. (OTHER THAN THOSE H SHARES ALREADY OWNED OR AGREED TO BE ACQUIRED BY MR. LUO YEFEI AND PARTIES ACTING IN CONCERT WITH HIM)
AND

(2) MANDATORY CONDITIONAL CASH OFFER BY MR. LUO YEFEI FOR ALL THE DOMESTIC SHARES IN SHANSHAN BRAND MANAGEMENT CO., LTD. (OTHER THAN THOSE DOMESTIC SHARES ALREADY OWNED OR AGREED TO BE ACQUIRED BY MR. LUO YEFEI AND PARTIES ACTING IN CONCERT WITH HIM)

Financial adviser to Mr. LUO Yefei



SDICS International Corporate Finance (Hong Kong) Limited

Offer Agent to Mr. LUO Yefei (H Share Offer)



SDICS International Securities (Hong Kong) Limited

Independent financial adviser to the Independent Board Committee



Grande Capital Limited

Unless the context requires otherwise, capitalised terms used in this Composite Document (including this cover page) are defined under "Definitions" of this Composite Document. A Letter from SDICS Corporate Finance containing, among other things, the details of the terms and conditions of the Offers are set out on pages 10 to 25 of this Composite Document. A letter from the Board is set out on pages 26 to 34 of this Composite Document. A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders in respect of the Offers is set out on pages 35 to 36 of this Composite Document. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee in respect of the Offers is set out on pages 37 to 65 of this Composite Document.

The procedures for acceptance and settlement of the Offers are set out in Appendix I to this Composite Document and in the accompanying Forms of Acceptance. Acceptances of the H Share Offer should be received by the H Share Registrar, at Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong not later than 4:00 p.m. on Friday, 3 October 2025, being the First Closing Date, or such later time and/or date as the Offeror may decide and announce in accordance with the Takeovers Code. Acceptances of the Domestic Share Offer should be received by the Offeror at 3rd Floor, Building B1, Shanshan New Energy Base, No. 238, Yunlin Middle Road, Haishu District, Ningbo City, Zhejiang Province, the PRC not later than 4:00 p.m. on Friday, 3 October 2025, being the First Closing Date, or such later time and/or date as the Offeror may decide and announce in accordance with the Takeovers Code.

12 September 2025

CONTENTS

	<i>Page</i>
EXPECTED TIMETABLE	ii
IMPORTANT NOTICE	v
DEFINITIONS	1
LETTER FROM SDICSI CORPORATE FINANCE	10
LETTER FROM THE BOARD	26
LETTER FROM THE INDEPENDENT BOARD COMMITTEE	35
LETTER FROM THE INDEPENDENT FINANCIAL ADVISER	37
APPENDIX I – FURTHER TERMS AND PROCEDURES FOR ACCEPTANCE OF THE OFFERS	I-1
APPENDIX II – FINANCIAL INFORMATION OF THE GROUP	II-1
APPENDIX III – PROPERTY VALUATION REPORT	III-1
APPENDIX IV – GENERAL INFORMATION OF THE COMPANY	IV-1
APPENDIX V – GENERAL INFORMATION OF THE OFFEROR	V-1
 ACCOMPANYING DOCUMENT – FORMS OF ACCEPTANCE	
 — WHITE FORM OF ACCEPTANCE (FOR H SHARE OFFER)	
 — GREEN FORM OF ACCEPTANCE (FOR DOMESTIC SHARE OFFER)	

EXPECTED TIMETABLE

The timetable set out below is indicative only and is subject to change. Any changes to the timetable will be jointly announced by the Offeror and the Company.

All references in this Composite Document to times and dates are references to Hong Kong times and dates, except as otherwise specified.

**Hong Kong Time
(unless otherwise stated)**

Date of despatch of this Composite Document and the accompanying Forms of Acceptance and commencement date of the Offers (Note 1)	Friday, 12 September 2025
Offers open for acceptance (Note 1)	Friday, 12 September 2025
First Closing Date (Note 2)	Friday, 3 October 2025
Latest time and date for acceptance of the Offers on the First Closing Date (Notes 2, 3 and 6)	4:00 p.m. on Friday, 3 October 2025
Announcement of the results of the Offers (or their extension or revision, if any) and the level of acceptance as at the First Closing Date to be posted on the websites of the Stock Exchange and the Company (Note 2)	No later than 7:00 p.m. on Friday, 3 October 2025
Latest date for posting of remittances to the Shareholders for the amounts due in respect of valid acceptances received under the Offers at or before 4:00 p.m. on the First Closing Date (assuming the Offers become or are declared unconditional in all respects on the First Closing Date) (Notes 4, 5 and 6)	Wednesday, 15 October 2025
Final Closing Date (assuming the Offers become or are declared unconditional in all respects on the First Closing Date) (Note 7)	Friday, 17 October 2025
Latest time and date for acceptance of the Offers on the Final Closing Date (assuming the Offers become or are declared unconditional in all respects on the First Closing Date) (Note 7)	4:00 p.m. on Friday, 17 October 2025
Announcement of the results of the Offers as at the Final Closing Date to be posted on the websites of the Stock Exchange and the Company (Note 7)	No later than 7:00 p.m. on Friday, 17 October 2025

EXPECTED TIMETABLE

Latest date for posting of remittances to the Shareholders
for the amounts due under the Offers in respect of
valid acceptances of the Offers on the Final Closing Date
(assuming the Offers become or are declared
unconditional in all respects on the First
Closing Date)
(Notes 4, 5 and 6) Tuesday, 28 October 2025

Latest time and date by which the Offers can
become or be declared unconditional as to
acceptance (Note 8) 4:00 p.m. on
Tuesday, 11 November 2025

Notes:

1. The Offers, which are conditional, are made on Friday, 12 September 2025, being the date of posting of this Composite Document, and are capable of acceptance on and from that date till the First Closing Date or the Final Closing Date (as the case may be). Acceptances of the Offers shall be irrevocable and not capable of being withdrawn, except in the circumstances as set out in the section headed “6. Right of Withdrawal” in Appendix I to this Composite Document.
2. In accordance with the Takeovers Code, the Offers must initially be opened for acceptance for at least 21 days after the date of posting of this Composite Document. The latest time for acceptance of the Offers on the First Closing Date is 4:00 p.m. on Friday, 3 October 2025, unless the Offeror extends the Offers in accordance with the Takeovers Code. The Offeror has the right under the Takeovers Code to extend the Offers until such date as he may determine in accordance with the Takeovers Code (or as permitted by the Executive in accordance with the Takeovers Code). In accordance with Rule 15.7 of the Takeovers Code, except with the consent of the Executive, the condition to the Offers must be fulfilled or the Offers must lapse within 21 days of the First Closing Date or of the date the Offers become or are declared unconditional as to acceptances, whichever is later. Accordingly, if the Offers do not become unconditional on or before Friday, 3 October 2025, the Offers will lapse unless the Offers are extended in accordance with the Takeovers Code. The Offeror and the Company will jointly issue an announcement on the website of the Stock Exchange no later than 7:00 p.m. on Friday, 3 October 2025 in relation to any extension of the Offers, which will state either the next closing date of the Offers or, if the Offers are at that time unconditional as to acceptances, a statement that the Offers will remain open until further notice. In the latter case, at least 14 days’ notice in writing must be given before the Offers are closed to those Shareholders who have not accepted the Offers.
3. Beneficial owners of the Shares who hold their H Shares in CCASS directly as an Investor Participant or indirectly via a broker or custodian participant should note the timing requirements (please also refer to “1.1 Procedures for acceptance of the H Share Offer” on page I-1 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.
4. Subject to the Offers becoming unconditional, remittances in respect of the cash consideration (after deducting the seller’s *ad valorem* stamp duty in respect of acceptances of the H Share Offer) payable for the H Shares tendered under the H Share Offer will be made to those H Shareholders accepting the H Share Offer (to the address specified on the relevant H Shareholder’s **WHITE** Form of Acceptance) by ordinary post at their own risk as soon as possible, but in any event no later than seven (7) Business Days after (i) the date on which a duly completed **WHITE** Form of Acceptance together with all valid requisite documents from the H Shareholders accepting the H Share Offer are received by the H Share Registrar and in accordance with the Takeovers Code or (ii) the date on which the Offers become or are declared unconditional in all respects, whichever is later.

EXPECTED TIMETABLE

5. Subject to the Offers becoming unconditional, remittances in respect of the cash consideration payable for the Domestic Shares tendered under the Domestic Share Offer (after deducting the seller's stamp duty in respect of acceptances of the Domestic Share Offer and the seller's Domestic Share Offer Transfer Fee) will be made by wire transfer according to the bank account details of the transferor set out on the first page of the **GREEN** Form of Acceptance as soon as possible but in any event no later than seven (7) Business Days after (i) the date on which a duly completed **GREEN** Form of Acceptance together with all valid requisite documents from the Domestic Shareholders accepting the Domestic Share Offer are received by the Offeror and in accordance with the Takeovers Code, or (ii) the date on which the Offers become or are declared unconditional in all respects, whichever is later.
6. If a tropical cyclone warning signal number 8 or above, or a black rainstorm warning, or "extreme conditions" as announced by the Government of Hong Kong is/are in force, in Hong Kong:
 - (i) at any local time before 12:00 noon but no longer in force after 12:00 noon on the latest date for acceptance of the Offers and/or the latest date for posting of remittances for the amounts due under the Offers in respect of valid acceptances, the latest time for acceptance of the Offers will remain at 4:00 p.m. on the same Business Day and the latest date for posting of remittances will remain on the same Business Day; or
 - (ii) at any local time at 12:00 noon and/or thereafter on the latest date for acceptance of the Offers and/or the latest date for posting of remittances for the amounts due under the Offers in respect of valid acceptances, the latest time for acceptances of the Offers will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time at 12:00 noon and/or thereafter and the posting of remittances will be next following Business Day which does not have either of those warnings in force at any time at 12:00 noon and/or thereafter or such other day as the Executive may approve in accordance with the Takeovers Code.
7. In accordance with the Takeovers Code, where the Offers become or are declared unconditional, the Offers should remain open for acceptance for not less than 14 days thereafter. When the Offers become or are declared unconditional in all respects, at least 14 days' notice in writing must be given before the Offers are closed to those Independent Shareholders who have not accepted the Offers. The Offeror has the rights, subject to the Takeovers Code, to extend the Offers until such date as the Offeror may determine or as permitted by the Executive in accordance with the Takeovers Code. The Offeror and the Company will jointly issue an announcement in relation to any extension of the Offers, which will state the next closing date of the Offers or, if the Offers have become or are at the time unconditional, that the Offers will remain open until further notice. In the latter case, at least 14 days' notice will be given before the Offers are closed.
8. In accordance with the Takeovers Code, except with the consent of the Executive, the Offers may not become or be declared unconditional as to acceptances after 7:00 p.m. on the 60th day after the date of this Composite Document (or such later day as permitted by the Executive in accordance with the Takeovers Code). Accordingly, unless the Offers have previously become or been declared unconditional as to acceptances or have been extended with the consent of the Executive, the Offers will lapse on Tuesday, 11 November 2025 unless extended with the consent of the Executive and in accordance with the Takeovers Code. Therefore, the last day by which the Offers can become or declared unconditional as to acceptance is Tuesday, 11 November 2025.

Save as mentioned above, if the latest time for the acceptance of the Offers 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 Shareholders by way of joint announcement(s) on any change to the expected timetable as soon as practicable.

IMPORTANT NOTICE

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

The forward-looking statements contained in this Composite Document include statements about the expected effects of the Offers on the Company, the expected timing and scope of the Offers, and all other statements in this Composite Document other than historical facts. Forward-looking statements include, without limitation, statements typically containing words such as “intends”, “expects”, “anticipates”, “targets”, “estimates”, “envisages” and words of similar import. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to, the satisfaction of the condition of the Offers, as well as additional factors, such as general, social, economic and political conditions in the countries in which the Offeror situates and/or the Group operates or other countries which have an impact on the Offeror and/or the Group’s business activities or investments, interest rates, the monetary and interest rate policies of the countries in which the Offeror situates and/or the Group operates, inflation or deflation, foreign exchange rates, the performance of the financial markets in the countries in which the Offeror situates and/or Group operates and globally, changes in domestic and foreign laws, regulations and taxes, changes in competition and the pricing environments in the countries in which the Offeror situates and/or Group operates and regional or general changes in asset valuations and disruptions or reductions in operations due to natural or man-made disasters, pandemics, epidemics, or outbreaks of infectious or contagious diseases. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements.

All written and oral forward-looking statements attributable to the Offeror, the Company or persons acting on behalf of any of them are expressly qualified in their entirety by the cautionary statements above. The forward-looking statements included herein are made only as of the Latest Practicable Date.

Any forward-looking statement contained in this Composite Document based on past or current trends and/or activities of the relevant company should not be taken as a representation that such trends or activities will continue in the future. No statement in this Composite Document is intended to be a profit forecast or to imply that the earnings of the relevant company for the current year or future years will necessarily match or exceed its historical or published earnings. Subject to the requirements of the Takeovers Code and other applicable laws and regulations, each of the Offeror and the Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in their expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

DEFINITIONS

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

“Acquisitions”	the acquisition of an aggregate of 46.50% of the share capital of Ningbo Liankangcai by the Offeror as contemplated under the Equity Transfer Agreements
“acting in concert”	has the same meaning as ascribed to it under the Takeovers Code
“associates”	has the same meaning as ascribed to it under the Takeovers Code
“Board”	the board of Directors
“Business Day”	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 Hong Kong Securities Clearing Company Limited
“Company”	Shanshan Brand Management Co., Ltd. (杉杉品牌運營股份有限公司), a joint stock company established in the PRC, the H Shares of which are listed on the Main Board of Stock Exchange (stock code: 1749)
“Completion”	completion of the Acquisitions in accordance with the terms and conditions of the Equity Transfer Agreements
“Composite Document”	this composite offer and response document dated 12 September 2025 jointly despatched by the Offeror and the Company to the Shareholders in accordance with the Takeovers Code in respect of the Offers
“Concert Group”	the Offeror and parties acting in concert with him (including Ms. Zhou YM, Shaanxi Maoye, Ningbo Liankangcai, Ningbo Eggshell and Mr. WU Mingyang (吳明陽先生))

DEFINITIONS

“Corporate Irrevocable Undertaking”	the unconditional irrevocable undertaking from Ningbo Heng Tong on 21 August 2025, pursuant to which Ningbo Heng Tong had irrevocably undertaken to the Offeror, among others, not to accept the Domestic Share Offer in respect of its Domestic Shares
“CSDC”	China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司) and its competent subsidiary, branch or agent
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary share(s) in the capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB and are unlisted Shares which are currently not listed or traded on any stock exchange
“Domestic Share Offer”	the conditional mandatory cash offer made by the Offeror for the Domestic Shares (other than those Domestic Shares already owned or agreed to be acquired by the Offeror and parties acting in concert with him) in accordance with the Takeovers Code
“Domestic Share Offer Price”	the price at which the Domestic Share Offer is made, being RMB0.1000 per Domestic Share
“Domestic Share Offer Transfer Fee”	the transfer fee of RMB0.00025 per Domestic Share tendered by a Domestic Shareholder payable to the CSDC (up to a maximum amount of RMB100,000 per transaction), which is payable by each of the Domestic Shareholder and the Offeror to the CSDC
“Domestic Shareholder(s)”	holder(s) of Domestic Share(s)
“Encumbrances”	any mortgage, charge, pledge, lien (otherwise than arising by statute or operation of law), hypothecation or other encumbrance, priority or security interest or other third party right, deferred purchase, title retention, leasing, sale-and-repurchase or sale-and-leaseback or trust arrangement whatsoever over or in any property, assets or rights of whatsoever nature and includes any agreement for any of the same
“Equity Transfer Agreements”	collectively, ETA 1, ETA 2, ETA 3 and ETA 4

DEFINITIONS

“ETA 1”	the equity transfer agreement dated 30 June 2025 entered into between the Offeror as buyer and Seller 1 as seller in respect of the sale of 19.00% of the share capital of Ningbo Liankangcai
“ETA 2”	the equity transfer agreement dated 30 June 2025 entered into between the Offeror as buyer and Seller 2 as seller in respect of the sale of 18.50% of the share capital of Ningbo Liankangcai
“ETA 3”	the equity transfer agreement dated 30 June 2025 entered into between the Offeror as buyer and Seller 3 as seller in respect of the sale of 7.00% of the share capital of Ningbo Liankangcai
“ETA 4”	the equity transfer agreement dated 30 June 2025 entered into between the Offeror as buyer and Seller 4 as seller in respect of the sale of 2.00% of share capital of Ningbo Liankangcai
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Final Closing Date”	17 October 2025, on the assumption that the Offers become unconditional in all respects on the First Closing Date and the Offers will be open for acceptance for 14 days after the First Closing Date
“First Closing Date”	3 October 2025, or such later date as may be determined and announced by the Offeror in accordance with the Takeovers Code
“Form(s) of Acceptance”	the WHITE Form of Acceptance and the GREEN Form of Acceptance
“ GREEN Form of Acceptance”	the GREEN form of acceptance and transfer in respect of the Domestic Share Offer accompanying this Composite Document
“Group”	the Company and its subsidiaries
“H Shareholder(s)”	the holder(s) of the H Shares

DEFINITIONS

“H Share(s)”	overseas listed foreign share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and listed on the Stock Exchange
“H Share Offer”	the conditional mandatory cash offer made by SDICSI Securities for and on behalf of the Offeror for the H Shares (other than those H Shares already owned or agreed to be acquired by the Offeror and parties acting in concert with him) in accordance with the Takeovers Code
“H Share Offer Price”	the price at which the H Share Offer is made, being HK\$0.1097 per H Share
“H Share Registrar”	Boardroom Share Registrars (HK) Limited, the Company’s H Share registrar in Hong Kong, located at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards
“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 PRC
“Independent Board Committee”	the independent board committee of the Board, comprising a non-executive Director, namely Mr. WANG Mingming (王明明先生) and all of the independent non-executive Directors, namely Mr. CHOW Ching Ning (周政寧先生), Mr. WANG Yashan (王亞山先生) and Mr. WU Xuekai (武學凱先生), formed to advise the Independent Shareholders in respect of the Offers

DEFINITIONS

“Independent Financial Adviser”	Grande Capital Limited, a corporation licensed under the SFO permitted to engage in type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities (as defined under the SFO), the independent financial adviser appointed by the Company with the approval from the Independent Board Committee to advise the Independent Board Committee in respect of the Offers
“Independent Shareholder(s)”	Shareholder(s) other than the Concert Group
“Individual Irrevocable Undertakings”	the unconditional irrevocable undertakings from two Shareholders, namely, (i) Ms. Zhao on 23 May 2025 and (ii) Mr. Zhang on 27 May 2025, pursuant to which Ms. Zhao and Mr. Zhang had irrevocably undertaken to the Offeror, among others, not to accept the Domestic Share Offer in respect of their respective Domestic Shares
“Interim Results Announcement”	the interim results announcement of the Company for the six months ended 30 June 2025
“Investor Participant(s)”	person(s) admitted to participate in CCASS as investor participants
“Irrevocable Undertakings”	the Individual Irrevocable Undertakings and the Corporate Irrevocable Undertaking
“Joint Announcement”	the announcement dated 30 June 2025 jointly issued by the Offeror and Company, in relation to, among other things, the Acquisitions and the Offers
“Last Trading Day”	30 June 2025, being the last trading day immediately prior to the release of the Joint Announcement
“Latest Practicable Date”	10 September 2025, 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
“Mr. Luo” or the “Offeror”	Mr. LUO Yefei (駱葉飛先生), an executive Director, the chairman of the Board and the offeror under the Offers

DEFINITIONS

“Mr. Zhang”	Mr. ZHANG Jincan (張金燦先生), one of the Non-Accepting Shareholders holding 6,670,000 Domestic Shares
“Ms. Zhao”	Ms. ZHAO Yongzhi (趙詠芝女士), one of the Non-Accepting Shareholders holding 12,806,400 Domestic Shares
“Ms. Zhou YM”	Ms. ZHOU Yumei (周玉梅女士), an executive Director and the spouse of the Offeror
“Ningbo Eggshell”	Ningbo Eggshell Enterprise Management Partnership (Limited Partnership)* (寧波蛋殼企業管理合夥企業(有限合夥)), a partnership established in the PRC which is held by Mr. MAO Weiyong (毛偉勇先生) (a non-executive Director) as to 50% and Ms. LI Sha (李莎女士) as to 50%
“Ningbo Heng Tong”	Ningbo Heng Tong Trading Co. Limited* (寧波衡通貿易有限公司), a company established in the PRC and is one of the Non-Accepting Shareholders holding 2,668,000 Domestic Shares
“Ningbo Liankangcai”	Ningbo Liankangcai Brand Management Co., Ltd.* (寧波聯康財品牌管理有限責任公司), a company established in the PRC which is held by the Offeror as to 65.10%, Ningbo Eggshell as to 19.00% and Mr. WU Mingyang (吳明陽先生) as to 15.90%
“Non-Accepting Shareholders”	Ms. Zhao, Mr. Zhang and Ningbo Heng Tong
“Non-Accepting Shares”	an aggregate of 22,144,400 Domestic Shares held by the Non-Accepting Shareholders
“Offer Period”	has the meaning ascribed to it under the Takeovers Code which commences on 30 June 2025 (being the date of the Joint Announcement) and ends on the date the Offers close or lapse
“Offer Price”	the H Share Offer Price and the Domestic Share Offer Price
“Offer Share(s)”	all Shares that are not owned or agreed to be acquired by the Offeror or parties acting in concert with him and “Offer Share” means any of them

DEFINITIONS

“Offers”	the Domestic Share Offer and the H Share Offer
“Overseas H Shareholder(s)”	H Shareholder(s) whose addresses, as shown on the register of members of the Company, are outside Hong Kong
“PRC”	the People’s Republic of China, for the purpose of this Composite Document only, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Relevant Period”	the period from 30 December 2024 (being the date falling six months prior to 30 June 2025 (being the commencement date of the Offer Period)), up to and including the Latest Practicable Date
“RMB”	Renminbi, the lawful currency of the PRC
“SDICSI Corporate Finance”	SDICS International Corporate Finance (Hong Kong) Limited, a corporation licensed under the SFO permitted to engage in type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities (as defined under the SFO), and the financial adviser to the Offeror in respect of the Offers
“SDICSI Group”	SDICSI Corporate Finance and persons controlling, controlled by or under the same control as SDICSI Corporate Finance
“SDICSI Securities”	SDICS International Securities (Hong Kong) Limited, a corporation licensed under the SFO permitted to engage in type 1 (dealing in securities) and type 4 (advising on securities) regulated activities (as defined under the SFO), and the offer agent to the Offeror in respect of the H Share Offer
“Seller 1”	Ms. YAN Jingfen (嚴靜芬女士), an executive Director and a joint company secretary of the Company
“Seller 2”	Mr. DENG Bin (鄧彬先生)
“Seller 3”	Mr. WANG Jun (王軍先生), an executive deputy general manager and vice president of the Group
“Seller 4”	Mr. ZHENG Xi Jie (鄭世杰先生)

DEFINITIONS

“Sellers”	collectively, Seller 1, Seller 2, Seller 3 and Seller 4
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shaanxi Maoye”	Shaanxi Maoye Gongmao Co., Ltd.* (陝西茂業工貿有限公司), a company established in the PRC which is ultimately and beneficially owned by the Offeror as to 80.00% and Ms. Zhou YM as to 20.00%
“Shanshan”	Ningbo Shanshan Co., Ltd.* (寧波杉杉股份有限公司), a joint stock company established in the PRC, whose shares are listed on the Shanghai Stock Exchange (stock code: 600884)
“Shanshan Group”	Shanshan Group Co., Ltd.* (杉杉集團有限公司), a company established in the PRC and the shareholding of which is set out in note 2 to the section headed “Shareholding structure of the Company” in the “Letter from the Board” in this Composite Document
“Shanshan Holding”	Shanshan Holding Co., Ltd.* (杉杉控股有限公司), a company established in the PRC and the shareholding of which is set out in note 2 to the section headed “Shareholding structure of the Company” in the “Letter from the Board” in this Composite Document
“Share(s)”	Domestic Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Code on Takeovers and Mergers issued by the SFC
“ WHITE Form of Acceptance”	the WHITE form of acceptance and transfer in respect of the H Share Offer accompanying this Composite Document
“%”	per cent.

DEFINITIONS

In this Composite Document, unless otherwise stated, amounts dominated in RMB have been translated into HK\$1 at the exchange rate of RMB0.91195 to HK\$1.00, being the median exchange rate of RMB against HK\$ as quoted by the People's Bank of China on 30 June 2025 (being the date of the Joint Announcement). No representation is made that the HK\$ amounts could have been or could be converted into RMB at such rate or any other rate or at all.

All percentages stated in this Composite Document are approximations and certain amounts and percentage figures included in this Composite Document have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

This Composite Document and the accompanying Forms of Acceptance are prepared in both English and Chinese. In the event of inconsistency, the English texts of the aforementioned documents shall prevail.

** for identification purpose only*

LETTER FROM SDICS INTERNATIONAL CORPORATE FINANCE



SDICS International Corporate Finance (Hong Kong) Limited

12 September 2025

To the Shareholders

Dear Sir or Madam,

(1) MANDATORY CONDITIONAL CASH OFFER BY SDICS INTERNATIONAL SECURITIES (HONG KONG) LIMITED FOR AND ON BEHALF OF MR. LUO YEFEI FOR ALL THE H SHARES IN SHANSHAN BRAND MANAGEMENT CO., LTD. (OTHER THAN THOSE H SHARES ALREADY OWNED OR AGREED TO BE ACQUIRED BY MR. LUO YEFEI AND PARTIES ACTING IN CONCERT WITH HIM)

AND

(2) MANDATORY CONDITIONAL CASH OFFER BY MR. LUO YEFEI FOR ALL THE DOMESTIC SHARES IN SHANSHAN BRAND MANAGEMENT CO., LTD. (OTHER THAN THOSE DOMESTIC SHARES ALREADY OWNED OR AGREED TO BE ACQUIRED BY MR. LUO YEFEI AND PARTIES ACTING IN CONCERT WITH HIM)

1. INTRODUCTION

References are made to the Joint Announcement in relation to, among other things, the Acquisitions and the Offers, and the announcement dated 21 August 2025 jointly issued by the Offeror and the Company in relation to, among other things, the Corporate Irrevocable Undertaking.

On 30 June 2025 (after trading hours), the Offeror entered into the Equity Transfer Agreements with the Sellers, pursuant to which the Offeror agreed to acquire and the Sellers agreed to sell an aggregate of 46.50% of the share capital of Ningbo Liankangcai, at an aggregate consideration of RMB1,116,558.00. Completion took place on the date of the Equity Transfer Agreements, being 30 June 2025.

Immediately following Completion and as at the Latest Practicable Date, the Offeror, Shaanxi Maoye and Ningbo Liankangcai owned an aggregate of 52,021,000 Domestic Shares, representing approximately 39.00% of the total issued Shares as at the Latest Practicable Date.

Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make mandatory conditional general offers in cash for all the issued Domestic Shares and H Shares other than those already owned or agreed to be acquired by the Concert Group in accordance with the Takeovers Code.

This letter forms part of this Composite Document and sets out, among other things, details of the Offers, information on the Offeror, and the Offeror's intentions in relation to the Company. Further details on the terms and the procedures for acceptances of the Offers are set out in Appendix I to this Composite Document and the accompanying Forms of Acceptance. Terms used in this letter shall have the same meanings as those defined in this Composite Document unless the context otherwise requires.

2. MANDATORY CONDITIONAL CASH OFFERS

Immediately before Completion, the Offeror was interested in 28,009,000 Domestic Shares (representing approximately 21.00% of the total issued Shares), comprising (i) 14,674,000 Domestic Shares (representing 11.00% of the total issued Shares) directly owned by the Offeror; and (ii) 13,335,000 Domestic Shares (representing approximately 10.00% of the total issued Shares) beneficially owned by Shaanxi Maoye, a company ultimately and beneficially owned as to 80.00% by the Offeror and 20.00% by Ms. Zhou YM, the spouse of the Offeror and an executive Director. Apart from the 28,009,000 Domestic Shares, prior to Completion, the Offeror was also interested in 18.60% of the share capital of Ningbo Liankangcai which held 24,012,000 Domestic Shares (representing 18.00% of the total issued Shares).

Immediately following Completion and as at the Latest Practicable Date, the Offeror held 65.10% of the share capital of Ningbo Liankangcai and therefore deemed to be interested in the 24,012,000 Domestic Shares held by Ningbo Liankangcai (representing 18.00% of the total issued Shares) and hence, Ningbo Liankangcai is regarded to be acting in concert with the Offeror under class (8) presumption of the definition of “acting in concert” under the Takeovers Code. As a result of the foregoing, the Offeror, Shaanxi Maoye and Ningbo Liankangcai owned an aggregate of 52,021,000 Domestic Shares, representing approximately 39.00% of the total issued Shares as at the Latest Practicable Date.

Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make mandatory conditional general offers in cash for all the issued Domestic Shares and H Shares other than those already owned or agreed to be acquired by the Concert Group in accordance with the Takeovers Code.

As at the Latest Practicable Date, the Company has 133,400,000 Shares in issue comprising (i) 100,000,000 Domestic Shares; and (ii) 33,400,000 H Shares. The Company has no outstanding convertible securities, warrants, options or derivatives in issue which may confer any rights to subscribe for, convert or exchange into Shares as at the Latest Practicable Date.

(1) Principal terms of the Offers

The Offeror is making the Domestic Share Offer, and SDICSI Securities, on behalf of the Offeror, is making the H Share Offer in compliance with the Takeovers Code on the following basis:

For each Domestic Share RMB0.1000 in cash

For each H Share HK\$0.1097 in cash

LETTER FROM SDICSI CORPORATE FINANCE

The Domestic Share Offer Price of RMB0.1000 per Domestic Share was determined with reference to (i) the consideration for the share capital of Ningbo Liankangcai under the Equity Transfer Agreements which was arrived at after arm's length negotiations between the Offeror and the Sellers; and (ii) the 24,012,000 Domestic Shares held by Ningbo Liankangcai. Save for the 24,012,000 Domestic Shares held by Ningbo Liankangcai, it has no other material assets. The Domestic Share Offer Price was calculated by firstly dividing the entire consideration of RMB1,116,558.00 paid under the Equity Transfer Agreements by 46.50% (being the aggregate acquired share capital of Ningbo Liankangcai by the Offeror under the Equity Transfer Agreements) and followed by dividing by the number of 24,012,000 Domestic Shares held by Ningbo Liankangcai.

The H Share Offer Price of HK\$0.1097 per H Share is equivalent to RMB0.1000, being the Domestic Share Offer Price and converted into HK\$, based on the median exchange rate of RMB0.91195 to HK\$1.00 quoted by The People's Bank of China on 30 June 2025, being the date of the Joint Announcement.

The Offeror will not increase the Offer Price as set out above. 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.

The Offers will be extended to all Independent Shareholders in accordance with the Takeovers Code. The Offer Shares to be acquired under the Offers shall be fully paid and free from all Encumbrances and together with all rights and benefits now and thereafter becoming attached thereto, including but not limited to the rights to receive all dividend and other distribution and return of capital, if any which may be declared, made or paid or agreed to be made or paid by reference to a record date on or after the date on which the Offers are made, being the date of this Composite Document.

If, after the date of this Composite Document, any dividend, other distribution and/or other return of capital (whether in cash or in kind) is announced, declared, made or paid in respect of the Shares, the Offeror shall reduce the Offer Price by all of the amount or value of such dividend, other distribution and/or, as the case may be, return of capital after consultation with the Executive, 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. The Directors confirm that as at the Latest Practicable Date, (i) the Company has not declared any dividend which remains unpaid, (ii) the Company does not intend to declare any dividend the record date of which will fall on or after the date of the Composite Document, and (iii) the Company does not intend to make, declare or pay any future dividend or make other distributions until the closing of the Offers.

(2) Comparison of value

The Domestic Share Offer Price of RMB0.1000 per Domestic Share and the H Share Offer Price of HK\$ 0.1097 per H Share represent:

- (a) a discount of approximately 87.24% to the closing price of HK\$0.8600 per H Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (b) a discount of approximately 88.81% to the closing price of HK\$0.9800 per H Share as quoted on the Stock Exchange on the Last Trading Day;
- (c) a discount of approximately 89.16% to the average closing price of HK\$1.0120 per H Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;
- (d) a discount of approximately 89.78% to the average closing price of HK\$1.0730 per H Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day;
- (e) a discount of approximately 89.99% to the average closing price of approximately HK\$1.0963 per H Share as quoted on the Stock Exchange for the last 30 consecutive trading days up to and including the Last Trading Day;
- (f) a discount of approximately 95.17% to the audited consolidated net asset value of the Company of approximately RMB2.0710 (equivalent to approximately HK\$2.2360) per Share (calculated based on (i) the Group's audited consolidated net asset value of RMB276,276,449 as at 31 December 2024 as disclosed in the annual report of the Company published on 22 April 2025; (ii) 133,400,000 Shares in issue as at the Latest Practicable Date; and (iii) the exchange rate of RMB0.92604 to HK\$1.00, being the median exchange rate as announced by the People's Bank of China on 31 December 2024); and

LETTER FROM SDICSI CORPORATE FINANCE

- (g) a discount of approximately 95.20% to the unaudited consolidated net asset value of the Company of approximately RMB2.0815 (equivalent to approximately HK\$2.2825) per Share (calculated based on (i) the Group's unaudited consolidated net asset value of RMB277,672,764 as at 30 June 2025 as disclosed in the Interim Results Announcement published on 26 August 2025; (ii) 133,400,000 Shares in issue as at the Latest Practicable Date; and (iii) the exchange rate of RMB0.91195 to HK\$1.00, being the median exchange rate as announced by the People's Bank of China on 30 June 2025).

(3) Highest and lowest H Share prices

During the Relevant Period:

- (a) the highest closing price of the H Shares was HK\$1.2500 per H Share as quoted on the Stock Exchange on 18 March 2025; and
- (b) the lowest closing price of the H Shares was HK\$0.8300 per H Share as quoted on the Stock Exchange on 8 January 2025, 9 January 2025, 10 January 2025, 13 January 2025, 14 January 2025, 15 January 2025 and 18 February 2025.

(4) Value of the Offers

As at the Latest Practicable Date, there were 100,000,000 Domestic Shares and 33,400,000 H Shares in issue. After Completion and as at the Latest Practicable Date, the Offeror, Shaanxi Maoye and Ningbo Liankangcai owned an aggregate of 52,021,000 Domestic Shares, representing approximately 39.00% of the total issued Shares as at the Latest Practicable Date. Accordingly, 47,979,000 Domestic Shares and 33,400,000 H Shares will be subject to the Domestic Share Offer and the H Share Offer, respectively.

Assuming that there is no change in the issued share capital of the Company as at the Latest Practicable Date, if the Domestic Share Offer is accepted in full (other than the 22,144,400 Non-Accepting Shares), the maximum consideration payable by the Offeror for the Domestic Share Offer is valued at RMB2,583,460.00 (equivalent to approximately HK\$2,834,055.62) based on the Domestic Share Offer Price of RMB0.1000 (equivalent to approximately HK\$0.1097) per Domestic Share; and if the H Share Offer is accepted in full, the maximum consideration payable by the Offeror for the H Share Offer is valued at HK\$3,663,980.00 based on the H Share Offer Price of HK\$0.1097 per H Share.

LETTER FROM SDICSI CORPORATE FINANCE

(5) Confirmation of financial resources

The aggregate cash consideration payable under the Domestic Share Offer (assuming full acceptances under the Domestic Share Offer (other than the 22,144,400 Non-Accepting Shares)) will be RMB2,583,460.00 (equivalent to approximately HK\$2,834,055.62) based on the Domestic Share Offer Price of RMB0.1000 (equivalent to approximately HK\$0.1097) per Domestic Share and 25,834,600 Domestic Shares.

The aggregate cash consideration payable under the H Share Offer (assuming full acceptances under the H Share Offer) will be HK\$ 3,663,980.00 based on the H Share Offer Price of HK\$0.1097 per H Share and 33,400,000 H Shares.

The Offeror intends to finance and satisfy the consideration payable under the Domestic Share Offer and the H Share Offer from his internal resources and a margin loan facility granted by SDICSI Securities. The Offeror confirms that there is no arrangement in relation to the margin loan facility pursuant to which the payment of interest on, repayment of or security for any liability (contingent or otherwise) will depend to any significant extent on the business of the Company. Pursuant to the margin loan facility, all the H Shares acquired under the H Share Offer shall be deposited to the Offeror's securities account maintained with SDICSI Securities as collateral.

SDICSI Corporate Finance, as the financial adviser to the Offeror, is satisfied that sufficient resources are available to the Offeror to satisfy the amount of funds required for full acceptance of the Offers.

(6) Condition to the Offers

The Offers are only conditional upon valid acceptances of the Offers being received (and not, where permitted, withdrawn) by 4:00 p.m. on the First Closing Date (or such later time or date as the Offeror may, subject to the Takeovers Code, decide) in respect of the Offer Shares which, together with Shares already owned by the Concert Group and acquired before or during the Offer Period, will result in the Concert Group holding in aggregate more than 50% of the voting rights of the Company.

The Offeror will issue an announcement in relation to the revision, extension or lapse of the Offers or the fulfilment of such condition in accordance with the Takeovers Code and the Listing Rules. The latest time on which the Offeror can declare the Offers unconditional as to acceptances is 7:00 p.m. on the 60th day after the despatch of this Composite Document (or such later date to which the Executive may consent).

The Offers may or may not become unconditional. Shareholders and investors of the Company should exercise caution when dealing in securities of the Company and if they are in any doubt about their position, they should consult their professional advisers.

(7) Irrevocable Undertakings

The Offeror had obtained the Irrevocable Undertakings from the Non-Accepting Shareholders that they had agreed not to accept the Domestic Share Offer in respect of the Domestic Shares held by them as set out in the table below, which amounted to 22,144,400 Domestic Shares in aggregate, representing 16.60% of the total issued Shares as at the Latest Practicable Date. Details of the Irrevocable Undertakings are set out below:

	Individual Irrevocable Undertakings		Corporate Irrevocable Undertaking
Name of Non-Accepting Shareholder:	Ms. Zhao	Mr. Zhang	Ningbo Heng Tong
Date:	23 May 2025	27 May 2025	21 August 2025
Number of Non-Accepting Shares:	12,806,400 (9.60% of the total issued Shares)	6,670,000 (5.00% of the total issued Shares)	2,668,000 (2.00% of the total issued Shares)

LETTER FROM SDICSI CORPORATE FINANCE

	Individual Irrevocable Undertakings	Corporate Irrevocable Undertaking
Terms:	Pursuant to the Individual Irrevocable Undertakings, each of Ms. Zhao and Mr. Zhang has irrevocably undertaken to the Offeror as to the followings ^(Note 1): 1. in the event the Offers are made by the Offeror, and the offer price for the Domestic Share Offer is not more than RMB3 per Domestic Share (in respect of the irrevocable undertaking from Ms. Zhao) or RMB1 per Domestic Share (in respect of the irrevocable undertaking from Mr. Zhang), the Offeror is not required to make comparable Offers to Ms. Zhao and Mr. Zhang in respect of the Non-Accepting Shares held by them and even if such Offers were made to them, they shall not accept the Offers in respect of the respective Non-Accepting Shares held by them; and 2. during the period commencing from the date of entering into their respective undertakings and ending on the date (whichever is earlier): (i) when the Offers lapse in accordance with the Takeovers Code; (ii) upon the close of the Offers; or (iii) the Offeror announces that the Offers will not proceed, Ms. Zhao and Mr. Zhang shall not sell, transfer, impose any encumbrance or grant any rights attaching to any relevant Shares held by them to any third party, nor shall they otherwise deal in the securities of the Company without the prior written consent of the Offeror ^(Notes 2&3).	Pursuant to the Corporate Irrevocable Undertaking, Ningbo Heng Tong has irrevocably undertaken to the Offeror as to the followings: 1. when the Offers are made by the Offeror, Ningbo Heng Tong or corporations controlled by it (if applicable) shall not accept the Offers; and 2. during the period commencing from the date of the irrevocable undertaking and ending on the date (whichever is earlier): (i) when the Offers lapse or are withdrawn as permitted under the Takeovers Code; or (ii) upon the close of the Offers, Ningbo Heng Tong shall not sell, transfer, impose any encumbrance or grant any rights attaching to any Non-Accepting Shares held by it to any third party, nor shall Ningbo Heng Tong otherwise deal in the securities of the Company without the prior written consent of the Offeror ^(Notes 2&3).

LETTER FROM SDICSI CORPORATE FINANCE

Notes:

1. It was a commercial term between Ms. Zhao and Mr. Zhang, and the Offeror that (i) if the offer price for the Domestic Share was not higher than a prescribed price, the Offeror will not be required to make a comparable offer to them; and (ii) they shall not sell, transfer or deal in the securities of the Company without the prior written consent of the Offeror during the period from the date of their respective irrevocable undertakings until the earlier of (among other things) the Offeror announces that the Offers will not proceed.
2. For avoidance of doubt, pursuant to Rule 26.1 of the Takeovers Code, the Offers are required to be extended to all Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with him) and the Offeror will proceed with the Offers pursuant with the requirement under the Takeovers Code.
3. The Non-Accepting Shareholders cannot sell or transfer the Non-Accepting Shares to any third party unless the Offers shall lapse or until the close of the Offers. As such, even if there is a higher offer made by a third party, they cannot accept such offer.

3. INFORMATION REGARDING THE OFFEROR AND THE CONCERT GROUP

(a) The Offeror

The Offeror (Mr. LUO Yefei (駱葉飛先生)), aged 50, was appointed as an executive Director on 18 May 2016 and the chairman of the Board on 26 June 2020. Mr. Luo is also the general manager and responsible for the overall development planning and business operations of the Group. He is also (i) a director of Ningbo Shanshan Fashion Brand Management Co., Ltd* (寧波杉杉時尚服裝品牌管理有限公司), and (ii) the manager of Ningbo Shanshan Hanfu Culture Co., Ltd.* (寧波杉杉漢服文化有限公司), both are direct wholly-owned subsidiaries of the Company.

Mr. Luo has over 20 years of experience in the apparel industry. He joined the Group on 1 June 2013 as the general manager of Ningbo Shanshan Garment Brand Management Co., Ltd * (寧波杉杉服裝品牌經營有限公司), the predecessor of the Company. Prior to joining the Company, Mr. Luo was the general manager and the controlling shareholder of Shaanxi Maoye, a substantial shareholder of the Company, a company primarily engaged in the production and sales of garments, where he was responsible for the production and operation management from September 2009 to June 2013.

Mr. Luo is the husband of Ms. Zhou YM, an executive Director.

(b) The Concert Group

The Concert Group comprises the Offeror, Ms. Zhou YM, Shaanxi Maoye, Ningbo Liankangcai, Ningbo Eggshell and Mr. WU Mingyang.

Shaanxi Maoye, a company established in the PRC, is principally engaged in the production and sales of garments. It is ultimately and beneficially owned as to 80.00% by the Offeror and 20.00% by Ms. Zhou YM, the spouse of the Offeror and an executive Director.

LETTER FROM SDICSI CORPORATE FINANCE

Ningbo Liankangcai, a company established in the PRC, is principally engaged in corporate management and consulting services. It is owned as to 65.10% by the Offeror, 19.00% by Ningbo Eggshell and 15.90% by Mr. WU Mingyang (吳明陽先生).

Ningbo Eggshell, a partnership established in the PRC, is principally engaged in corporate management and consulting services. Mr. MAO Weiyong (毛偉勇先生), a non-executive Director, holds 50% equity interests in Ningbo Eggshell while Ms. LI Sha (李莎女士) holds 50% equity interests in Ningbo Eggshell.

4. THE INTENTION OF THE OFFEROR ON THE GROUP

Due to the illiquid nature of the shares of Ningbo Liankangcai, the Sellers are of the view that they face significant difficulty in finding buyers for their interests in Ningbo Liankangcai and the absence of a ready market makes it difficult for shareholders to have an opportunity to exit their investment at an attractive valuation. The Sellers considered that the Acquisitions as a good opportunity to realize their investment at an acceptable price. The Offeror also considered that the Acquisitions provided a good opportunity to obtain control over Ningbo Liankangcai. The Sellers and the Offeror entered into the Equity Transfer Agreements on 30 June 2025. Completion took place on the same date. Immediately following Completion and as at the Latest Practicable Date, the Offeror, Shaanxi Maoye and Ningbo Liankangcai owned an aggregate of 52,021,000 Domestic Shares, representing approximately 39.00% of the total issued Shares as at the Latest Practicable Date. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make mandatory conditional general offers in cash for all the issued Domestic Shares and H Shares other than those already owned or agreed to be acquired by the Concert Group in accordance with the Takeovers Code.

It is the intention of the Offeror to continue with the Group's existing principal activities following the close of the Offers and to work closely with the Company's management team to drive both customer and shareholder value.

As at the Latest Practicable Date, the Offeror has no intention and has not entered into any memorandum, agreement, arrangement, negotiation or undertaking (formal or informal; express or implied) to downsize or dispose of any of the Company's existing business and/or acquire any new businesses.

As at the Latest Practicable Date, the Offeror does not have any plans to make any material changes to the continued employment of the employees of the Group, and does not expect there to be a significant redeployment of the fixed assets of the Company (other than those in its ordinary and usual course of business). The Offeror will conduct a strategic review of the Group's assets, corporate structure, capitalization, operations, properties, policies and management to determine if any changes would be appropriate and desirable following the completion of the Offers with a view to optimising the Group's activities and development, and may make such changes as the Offeror deems necessary, appropriate or beneficial for the Group following his strategic review and/or taking into account any future developments.

5. PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY

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

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

then the Stock Exchange will consider exercising its discretion to suspend dealings in the H Shares.

The Offeror intends the Company to remain listed on the Stock Exchange after the closing of the Offers. The Offeror has undertaken to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares.

6. OVERSEAS H SHAREHOLDERS

The Offeror intends to make the H Share Offer available to all H Shareholders, including those with a registered address in a jurisdiction outside Hong Kong. The availability of the H Share Offer to Overseas H Shareholders may be affected by the applicable laws of the relevant jurisdiction. The Overseas H Shareholders should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the responsibilities of the Overseas H Shareholders who wish to accept the H Share 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 H Share 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 Overseas H Shareholders in respect of such jurisdictions). As at the Latest Practicable Date, there are no Overseas H Shareholders.

Any acceptance of the H Share Offer by any Overseas H Shareholder will be deemed to constitute a representation and warranty from such Overseas H Shareholder to the Offeror and his advisers (including SDICSI Corporate Finance and SDICSI Securities) that the local laws and requirements have been complied with. Overseas H Shareholders should consult their professional advisers if in doubt.

7. PROCEDURES FOR ACCEPTANCE AND SETTLEMENT

(a) Procedures for Acceptance of the Offers

To accept the H Share Offer, you must complete and sign the accompanying **WHITE** Form of Acceptance in accordance with the instructions printed thereon, which forms part of the terms of the H Share Offer. To accept the Domestic Share Offer, you must complete and sign the accompanying **GREEN** Form of Acceptance in accordance with the instructions printed thereon, which forms part of the terms of the Domestic Share Offer.

Your attention is drawn to the section headed “1. Procedures for Acceptance of the Offers” of Appendix I to this Composite Document and the accompanying Forms of Acceptance.

(b) Effect of accepting the Offers

Subject to the Offers becoming unconditional, provided that valid acceptance forms and the relevant certificate(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are complete and have been received by the Offeror or the H Share Registrar (as the case may be), by accepting the Domestic Share Offer or the H Share Offer (as the case may be), the Independent Shareholders will sell their tendered Shares to the Offeror free from all Encumbrances and together with all rights and benefits now and thereafter being attached thereto, including the right to receive in full all dividends, other distributions or return of capital, if any, which may be declared, made or paid or agreed to be made or paid by reference to a record date on or after the date on which the Offers are made, being the date of this Composite Document.

LETTER FROM SDICSI CORPORATE FINANCE

Acceptance of the Offers will be irrevocable and will not be capable of being withdrawn, except as permitted under the Takeovers Code.

(c) Stamp duty

Hong Kong stamp duty

The seller's Hong Kong *ad valorem* stamp duty arising in connection with acceptances of the H Share Offer will be payable by the relevant H Shareholders at a rate of 0.1% of (i) the market value of the H Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the H Share Offer, whichever is higher, and the amount of such stamp duty will be deducted from the cash amount payable by the Offeror to the relevant H Shareholders accepting the H Share Offer. The Offeror will arrange for payment of the seller's Hong Kong *ad valorem* stamp duty on behalf of the relevant H Shareholders accepting the H Share Offer and will pay the buyer's Hong Kong *ad valorem* stamp duty in connection with the acceptance of the H Share Offer and the transfer of the H Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong). No Hong Kong stamp duty is payable in connection with the acceptances of the Domestic Share Offer.

PRC stamp duty

A PRC stamp duty arising in connection with acceptances of the Domestic Share Offer will be payable by the relevant Domestic Shareholders and the Offeror respectively at a rate of 0.05% of the consideration payable by the Offeror in respect of the relevant acceptances of the Domestic Share Offer, in accordance with the stamp duty law of the PRC, and the amount of such duty will be deducted from the cash amount payable by the Offeror to the relevant Domestic Shareholders accepting the Domestic Share Offer. The Offeror will arrange for payment of the seller's PRC stamp duty on behalf of the relevant Domestic Shareholders accepting the Domestic Share Offer and will pay the buyer's stamp duty in connection with the acceptance of the Domestic Share Offer and the transfer of the Domestic Shares in accordance with the stamp duty law of the PRC. No PRC stamp duty is payable in connection with the acceptances of the H Share Offer.

(d) Payment

Once the Offers have become, or have been declared, unconditional in all respects, payment (after deducting (where applicable) (i) the accepting Independent Shareholders' share of stamp duty in respect of the transfer of Shares under the Offers; and (ii) the Independent Shareholder's share of the Domestic Share Offer Transfer Fee in respect of the transfer of Domestic Shares under the Domestic Share Offer) in cash in respect of acceptances of the Offers will be made as soon as possible but in any event no later than seven (7) Business Days after the date which (i) duly completed form(s) of acceptance and the relevant documents of title of the Domestic Shares or the H Shares (as the case may be) are received by the Offeror or the H Share Registrar (as the case may be) to render each such acceptance complete and valid, or (ii) the Offers have become or are declared unconditional in all aspects, whichever is later.

LETTER FROM SDICSI CORPORATE FINANCE

No fractions of a cent will be payable and the amount of cash consideration payable to a Shareholder who accepts the Offers will be rounded up to the nearest cent.

(e) Taxation advice

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 Offers. None of the Offeror and/or parties acting in concert with him, the Company, SDICSI Corporate Finance, SDICSI Securities and their respective directors, officers, agents or associates or any other person involved in the Offers accepts any responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offers.

(f) Return of documents

If the Offers do not become, or are not declared, unconditional in all respects within the time permitted by the Takeovers Code, 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) received by:

1. the H Share Registrar will be returned to the H Shareholders who have accepted the H Share Offer; and
2. the Offeror will be returned to the Domestic Shareholders who have accepted the Domestic Share Offer,

by ordinary post at the respective H Shareholders' and Domestic Shareholders' own risk as soon as possible but in any event no later than seven (7) Business Days after the Offers have lapsed.

8. DEALINGS AND INTERESTS IN THE COMPANY'S SECURITIES

During the Relevant Period, save for (i) the Acquisitions; and (ii) the off-market transaction in relation to the acquisition of 3,335,000 Domestic Shares by the Offeror from a Domestic Shareholder at a consideration of RMB0.1000 per Domestic Share in cash pursuant to a conditional sale and purchase agreement dated 28 November 2024 and the completion of which had taken place on 17 January 2025, none of the members of the Concert Group and the Non-Accepting Shareholders had dealt for value in any Shares, options, derivative, warrants or other securities convertible into Shares.

By reason of being the financial adviser to the Offeror, SDICSI Corporate Finance is presumed to be acting in concert with Offeror in accordance with class (5) of the definition of "acting in concert" under the Takeovers Code (except in respect of the Shares (or options, warrants or derivatives in respect of them) held on behalf of non-discretionary investment clients of the SDICSI Group). As at the Latest Practicable Date, SDICSI Corporate Finance and members of the SDICSI Group did not hold any Share.

LETTER FROM SDICSI CORPORATE FINANCE

The Offeror confirms that as at the Latest Practicable Date, save for the aggregate 52,021,000 Domestic Shares (representing approximately 39.00% of the total issued Shares) held by the Offeror, Ningbo Liankangcai and Shaanxi Maoye, and as disclosed in the section headed “SHAREHOLDING STRUCTURE OF THE COMPANY” in the “Letter from the Board” contained in this Composite Document, none of the members of the Concert Group holds, owns or has control or direction over any voting rights or rights over the Shares or convertible securities, warrants, options or derivatives of the Company.

9. COMPULSORY ACQUISITION

The Offeror does not intend to exercise any rights which may be available to him to compulsorily acquire any Shares not acquired under the Offers after the close of the Offers.

10. FURTHER DETAILS OF THE OFFERS

Further details of the Offers are set out in Appendix I to this Composite Document and the accompanying Forms of Acceptance.

Information on the Company is set out in the section headed “INFORMATION ON THE GROUP” in the “Letter from the Board” and Appendix IV as contained in this Composite Document.

11. GENERAL

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 each beneficial owner separately. In order for beneficial owners of the Shares, whose investments are registered in the names of nominees, to accept the Offers, it is essential that they provide instructions of their intentions with regard to the Offers to their nominees.

All documents and remittances to be sent to the Independent Shareholders by ordinary post are at their own risk. Such documents and remittances will be sent to the Independent Shareholders at their address specified on the relevant Independent Shareholder’s Form(s) of Acceptance. None of the Company, the Offeror, SDICSI Corporate Finance, SDICSI Securities, the H Share Registrar or parties acting in concert with any of them or any of their respective ultimate beneficial owners, directors, officers, agents or associates or any other parties involved in the Offers will be responsible for any loss or delay in transmission or any other liabilities that may arise as a result thereof or in connection therewith.

LETTER FROM SDICSI CORPORATE FINANCE

12. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Composite Document and the accompanying Forms of Acceptance, 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”, the “Letter from the Independent Financial Adviser” and other information about the Company, which are set out in this Composite Document before deciding whether or not to accept the Offers.

Yours faithfully,
For and on behalf of
SDICS International Corporate Finance (Hong Kong) Limited
Mazy Chan
Director

LETTER FROM THE BOARD

杉杉品牌運營股份有限公司

SHANSHAN BRAND MANAGEMENT CO., LTD.

(A joint stock company established in the People's Republic of China with limited liability)

(Stock Code: 1749)

Executive directors:

Mr. Luo Yefei (*Chairman*)

Mr. Cao Yang (*Vice-Chairman*)

Ms. Yan Jingfen

Ms. Zhou Yumei

Registered office:

238 Yunlin Middle Road

Wangchun Industrial Park

Ningbo, Zhejiang Province

The PRC

Non-executive directors:

Mr. Mao Weiyong

Mr. Wang Mingming

Principal Place of Business in Hong Kong:

31/F., 148 Electric Road

North Point

Hong Kong

Independent non-executive directors:

Mr. Chow Ching Ning

Mr. Wang Yashan

Mr. Wu Xuekai

12 September 2025

To the Independent Shareholders

Dear Sir or Madam,

(1) MANDATORY CONDITIONAL CASH OFFER BY SDICS INTERNATIONAL SECURITIES (HONG KONG) LIMITED FOR AND ON BEHALF OF MR. LUO YEFEI FOR ALL THE H SHARES IN SHANSHAN BRAND MANAGEMENT CO., LTD (OTHER THAN THOSE H SHARES ALREADY OWNED OR AGREED TO BE ACQUIRED BY MR. LUO YEFEI AND PARTIES ACTING IN CONCERT WITH HIM)

AND

(2) MANDATORY CONDITIONAL CASH OFFER BY MR. LUO YEFEI FOR ALL THE DOMESTIC SHARES IN SHANSHAN BRAND MANAGEMENT CO., LTD (OTHER THAN THOSE DOMESTIC SHARES ALREADY OWNED OR AGREED TO BE ACQUIRED BY MR. LUO YEFEI AND PARTIES ACTING IN CONCERT WITH HIM)

INTRODUCTION

Reference is made to the Joint Announcement in relation to, among others, the Acquisitions and the Offers.

As disclosed in the Joint Announcement, on 30 June 2025, the Offeror entered into the Equity Transfer Agreements with the Sellers, pursuant to which the Offeror agreed to acquire and the Sellers agreed to sell an aggregate of 46.50% of the share capital of Ningbo Liankangcai, at an aggregate consideration of RMB1,116,558.00. Completion took place on the date of the Equity Transfer Agreements, being 30 June 2025.

LETTER FROM THE BOARD

Immediately before Completion, the Offeror was interested in 28,009,000 Domestic Shares. Immediately following Completion and as at the Latest Practicable Date, the Offeror held 65.10% of the share capital of Ningbo Liankangcai and therefore deemed to be interested in the 24,012,000 Domestic Shares (representing 18.00% of the total issued Shares) held by Ningbo Liankangcai. As a result of the foregoing, the Offeror and parties acting in concert with him owned an aggregate of 52,021,000 Domestic Shares, representing approximately 39.00% of the total issued Shares as at the Latest Practicable Date.

Pursuant to Rule 26.1 of the Takeovers Code, the Offeror will be required to make mandatory conditional general offers in cash for all the issued Domestic Shares and H Shares other than those already owned or agreed to be acquired by the Concert Group in accordance with the Takeovers Code.

The purpose of this Composite Document is to provide you with, among others, (i) details of the Offers (including the expected timetable and terms of the Offers); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Offers; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee in relation to the Offers, together with the Forms of Acceptance; and (iv) the property valuation report prepared by Royson Valuation Advisory Limited in respect of the property interests of the Group.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising a non-executive Director, Mr. WANG Mingming (王明明先生) and all of the independent non-executive Directors, namely Mr. CHOW Ching Ning (周政寧先生), Mr. WANG Yashan (王亞山先生) and Mr. WU Xuekai (武學凱先生), who have no direct or indirect interest in the Offers, has been established by the Company, to advise the Independent Shareholders in relation to the Offers, in particular as to whether the Offers are fair and reasonable and as to the acceptance of the Offers pursuant to Rule 2.1 of the Takeovers Code.

The Independent Financial Adviser has been appointed by the Company after approval by the Independent Board Committee to advise the Independent Board Committee in respect of the Offers and in particular as to whether the Offers are, or are not, fair and reasonable and as to the acceptance of the Offers.

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 Offers.

LETTER FROM THE BOARD

MANDATORY CONDITIONAL CASH OFFERS

Immediately before Completion, the Offeror was interested in 28,009,000 Domestic Shares (representing approximately 21.00% of the total issued Shares), comprising (i) 14,674,000 Domestic Shares (representing 11.00% of the total issued Shares) directly owned by the Offeror; and (ii) 13,335,000 Domestic Shares (representing approximately 10.00% of the total issued Shares) beneficially owned by Shaanxi Maoye, a company ultimately and beneficially owned as to 80.00% by the Offeror and 20.00% by Ms. Zhou YM, the spouse of the Offeror and an executive Director. Apart from the 28,009,000 Domestic Shares, prior to Completion, the Offeror was also interested in 18.60% of the share capital of Ningbo Liankangcai which held 24,012,000 Domestic Shares (representing 18.00% of the total issued Shares).

Immediately following Completion and as at the Latest Practicable Date, the Offeror held 65.10% of the share capital of Ningbo Liankangcai and therefore deemed to be interested in the 24,012,000 Domestic Shares held by Ningbo Liankangcai and hence, Ningbo Liankangcai is regarded to be acting in concert with the Offeror under class (8) presumption of the definition of “acting in concert” under the Takeovers Code. As a result of the foregoing, the Offeror, Shaanxi Maoye, and Ningbo Liankangcai owned an aggregate of 52,021,000 Domestic Shares, representing approximately 39.00% of the total issued Shares as at the Latest Practicable Date.

Pursuant to Rule 26.1 of the Takeovers Code, the Offeror will be required to make mandatory conditional general offers in cash for all the issued Domestic Shares and H Shares other than those already owned or agreed to be acquired by the Concert Group in accordance with the Takeovers Code.

As at the Latest Practicable Date, the Company has 133,400,000 Shares in issue comprising (i) 100,000,000 Domestic Shares; and (ii) 33,400,000 H Shares. The Company has no outstanding convertible securities, warrants, options or derivatives in issue which may confer any rights to subscribe for, convert or exchange into Shares as at the Latest Practicable Date.

Principal terms of the Offers

The Offeror will make the Domestic Share Offer, and SDICSI Securities, on behalf of the Offeror, will make the H Share Offer in compliance with the Takeovers Code on the following basis:

For each Domestic Share RMB0.1000 in cash

For each H Share HK\$0.1097 in cash

LETTER FROM THE BOARD

The Domestic Share Offer Price of RMB0.1000 per Domestic Share was determined with reference to (i) the consideration for the share capital of Ningbo Liankangcai under the Equity Transfer Agreements which was arrived at after arm's length negotiations between the Offeror and the Sellers; and (ii) the 24,012,000 Domestic Shares held by Ningbo Liankangcai. Save for the 24,012,000 Domestic Shares held by Ningbo Liankangcai, it has no other material assets. The Domestic Share Offer Price was calculated by firstly dividing the entire consideration of RMB1,116,558.00 paid under the Equity Transfer Agreements by 46.50% (being the aggregate acquired share capital of Ningbo Liankangcai by the Offeror under the Equity Transfer Agreements) and followed by dividing by the number of 24,012,000 Domestic Shares held by Ningbo Liankangcai.

The H Share Offer Price of HK\$0.1097 per H Share is equivalent to RMB0.1000, being the Domestic Share Offer Price and converted into Hong Kong dollars, based on the median exchange rate of RMB0.91195 to HK\$1.00 quoted by The People's Bank of China on 30 June 2025, being the date of the Joint Announcement.

The Offeror will not increase the Offer Price as set out above. 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.

The Offers will be extended to all Independent Shareholders in accordance with the Takeovers Code. The Offer Shares to be acquired under the Offers shall be fully paid and free from all liens, charges, Encumbrances, rights and benefits of pre-emption and any other third party of any nature and together with all rights now and thereafter becoming attached thereto, including but not limited to the rights to receive all dividend, other distribution or return of capital, if any, which may be declared, made or paid, or agreed to be made or paid by reference to a record date on or after the date on which the Offers are made, being the date of this Composite Document.

The Directors confirm that as at the Latest Practicable Date, (i) the Company has not declared any dividend which remains unpaid, (ii) the Company does not intend to declare any dividend the record date of which will fall on or after the date of this Composite Document, and (iii) the Company does not intend to make, declare or pay any future dividend or make other distributions until the closing of the Offers.

Comparisons of value

The Domestic Share Offer Price of RMB0.1000 per Domestic Share and the H Share Offer Price of HK\$0.1097 per H Share represent:

- (a) a discount of approximately 88.81% to the closing price of HK\$0.9800 per H Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 89.16% to the average closing price of HK\$1.0120 per H Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;

LETTER FROM THE BOARD

- (c) a discount of approximately 89.78% to the average closing price of HK\$1.0730 per H Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day;
- (d) a discount of approximately 89.99% to the average closing price of HK1.0963 per H Share as quoted on the Stock Exchange for the last 30 consecutive trading days up to and including the Last Trading Day; and
- (e) a discount of approximately 95.17% to the audited consolidated net asset value of the Company of approximately RMB2.0710 (equivalent to approximately HK\$2.2360) per Share (calculated based on (i) the Group's audited consolidated net asset value of RMB276,276,449 as at 31 December 2024 as disclosed in the annual report of the Company published on 22 April 2025; (ii) 133,400,000 Shares in issue as at the Latest Practicable Date; and (iii) the exchange rate of RMB0.92604 to HK\$1.00, being the median exchange rate as announced by the People's Bank of China on 31 December 2024).

Highest and lowest H Share prices

During the Relevant Period:

- (a) the highest closing price of the H Shares was HK\$1.2500 per H Share as quoted on the Stock Exchange on 13 March 2025; and
- (b) the lowest closing price of the H Shares was HK\$0.8300 per H Share as quoted on the Stock Exchange on 8 January 2025, 9 January 2025, 10 January 2025, 13 January 2025, 14 January 2025, 15 January 2025 and 18 February 2025.

Value of the Offers

Your attention is drawn to the section headed "Value of the Offers" in the Letter from SDICSI Corporate Finance" contained in this Composite Document which sets out the value of the Offers.

LETTER FROM THE BOARD

SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date, there are 133,400,000 Shares in issue (comprising (i) 100,000,000 Domestic Shares; and (ii) 33,400,000 H Shares). The following table sets out the shareholding structure of the Company (i) immediately before Completion and (ii) immediately after Completion and as at the Latest Practicable Date but prior to the Offers being made, assuming there is no change in number of the issued Shares from the Latest Practicable Date but prior to the Offers being made:

Name of Shareholder	Before Completion		Immediately after Completion and as at the Latest Practicable Date but prior to the Offers being made	
	Number of Shares	Approximate % of total issued Shares	Number of Shares	Approximate % of total issued Shares
Domestic Shares				
Offeror (<i>Note 1</i>)	14,674,000	11.00	14,674,000	11.00
Shaanxi Maoye (<i>Note 1</i>)	13,335,000	10.00	13,335,000	10.00
Subtotal of the Concert Group (excluding Ningbo Liankangcai)	28,009,000	21.00	28,009,000	21.00
Ningbo Liankangcai (<i>Note 1</i>)	24,012,000	18.00	24,012,000	18.00
Subtotal of the Concert Group (<i>Note 1</i>)	28,009,000	21.00	52,021,000	39.00
Shanshan (<i>Note 2</i>)	25,834,600	19.36	25,834,600	19.36
Ms. Zhao	12,806,400	9.60	12,806,400	9.60
Mr. Zhang	6,670,000	5.00	6,670,000	5.00
Other Domestic Shareholder	2,668,000	2.00	2,668,000	2.00
Total Domestic Shares	100,000,000	74.96	100,000,000	74.96
H Shares				
H Shareholders	33,400,000	25.04	33,400,000	25.04
Total H Shares	33,400,000	25.04	33,400,000	25.04
Grand total	133,400,000	100.00	133,400,000	100.00

LETTER FROM THE BOARD

Notes:

1. Before Completion, the Offeror was interested in an aggregate of 28,009,000 Domestic Shares, comprising (i) 14,674,000 Domestic Shares directly owned by the Offeror; and (ii) 13,335,000 Domestic Shares beneficially owned by Shaanxi Maoye, a company ultimately and beneficially owned as to 80.00% by the Offeror and 20.00% by Ms. Zhou YM, the spouse of the Offeror and an executive Director. After Completion and as at the Latest Practicable Date, the Offeror held 65.10% of the issued share capital of Ningbo Liankangcai and therefore deemed to be interested in the Domestic Shares held by Ningbo Liankangcai, and the Offeror and parties acting in concert with him owned an aggregate of 52,021,000 Domestic Shares, representing approximately 39.00% of the total issued Shares as at the Latest Practicable Date. As such, Ningbo Liankangcai is regarded to be acting in concert with the Offeror under class (8) presumption of the definition of “acting in concert” under the Takeovers Code. Ningbo Liankangcai provided a guarantee registered on 8 December 2023 to Shanshan for amounts payable to Shanshan with 17,938,931 Domestic Shares.

2. Shanshan is a joint stock company with limited liability established in the PRC, whose issued shares are listed on the Shanghai Stock Exchange (stock code: 600884).

Based on public disclosures currently available, Shanshan is owned as to (i) approximately 14.24% by Shanshan Group; (ii) approximately 9.13% by Ningbo Pengze Trading Co., Ltd.* (寧波朋澤貿易有限公司) (a corporation wholly-owned by Shanshan Group); (iii) approximately 2.23% by Shanshan Holding; (iv) approximately 1.32% by Ningbo Yinzhou Jielun Investment Co., Ltd.* (寧波市鄞州捷倫投資有限公司) (a corporation wholly-owned by Shanshan Holding); (v) approximately 0.03% by the late Mr. Zheng Yonggang and (vi) approximately 73.05% by other public shareholders.

Based on public disclosures currently available, Shanshan Group was owned as to (i) approximately 54.81% by Shanshan Holding; (ii) approximately 9.38% by Ningbo Yonggang Clothing Investment Co., Ltd.* (寧波甬港服裝投資有限公司) (registered capital of which is owned as to 99.74% by Shanshan Holding and 0.26% by Mr. SHEN Yunkang (沈云康先生)); (iii) approximately 6.18% by Ningbo Yinzhou Jinyuan Equity Investment Partnership (Limited Partnership)* (寧波市鄞州區堇元股權投資合夥企業(有限合伙)) (the general partner of which is Shanghai Dongfang Jingxing Private Equity Fund Management Co., Ltd.* (上海東方景星私募基金管理有限公司), which is wholly-owned by Shanghai Shihong Technology Co., Ltd.* (上海士弘科技有限公司) and in turn owned as to 60% by Shanshan Holding, 30% by Mr. GAO Ming and 10% by Mr. ZHENG Ju); (iv) approximately 15.23% by Zhangjiagang Shiyue Fengjinhuang Investment Co., Ltd.* (張家港市悅豐金創投資有限公司) (which is a state-owned enterprise); (v) 12.23% by Itochu Corporation (which is a listed company on the Tokyo Stock Exchange) and (vi) 2.17% by Itochi (China) Group Co., Ltd.* (伊藤忠(中國)集團有限公司) (which is wholly owned by Itochu Corporation).

Based on public disclosures currently available, Shanshan Holding is owned as to 40.54% by Qinggang Investments, which in turn is owned as to 51% by the late Mr. Zheng Yonggang and 49% by Ms. ZHOU Jiqing (周繼青女士) and as to 59.46% by 13 corporate shareholders who are independent third parties to the Company and its connected persons (the largest of which does not exceed 9% as at the Latest Practicable Date).

3. SDICSI Corporate Finance and relevant members of the SDICSI Group which hold the Shares (or options, warrants or derivatives in respect of them) are presumed to be acting in concert with the Offeror in accordance with class (5) of the definition of “acting in concert” under the Takeovers Code (except in respect of the Shares (or options, warrants or derivatives in respect of them) held on behalf of non-discretionary investment clients of the SDICSI Group). As at the Latest Practicable Date, SDICSI Corporate Finance and members of the SDICSI Group did not hold any Share.

* For identification purpose only

LETTER FROM THE BOARD

INFORMATION ON THE GROUP

The Company is a joint stock limited company established in the PRC, the H Shares of which are listed on the Stock Exchange. The business of the Company primarily involves the design, marketing and sale of formal and casual business menswear in the PRC under two brands, namely FIRS and SHANSHAN.

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

INFORMATION ON THE OFFEROR

Your attention is drawn to the section headed “3. Information regarding the Offeror and the Concert Group” in the “Letter from SDICSI Corporate Finance” contained in, and Appendix V to, this Composite Document.

THE INTENTION OF THE OFFEROR ON THE GROUP

Your attention is drawn to the section headed “4. The intention of the Offeror on the Group” in the “Letter from SDICSI Corporate Finance” contained in, and Appendix V to, this Composite Document.

LETTER FROM THE BOARD

The Board is aware that it is the intention of the Offeror to continue with the Group's existing principal activities following the close of the Offers and to work closely with the Company management team to drive both customer and shareholder value.

Furthermore, the Board understands that as at the Latest Practicable Date, (i) the Offeror does not have any plans to make any material changes to the continued employment of the employees of the Group (other than in the ordinary course of business); (ii) does not expect there to be a significant redeployment of the fixed assets of the Group; and (iii) the Offeror will conduct a strategic review of the Group's assets, corporate structure, capitalization, operations, properties, policies and management to determine if any changes would be appropriate and desirable following the completion of the Offers with a view to optimising the Group's activities and development, and may make such changes as the Offeror deems necessary, appropriate or beneficial for the Group following its strategic review and/or taking into account any future developments.

PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY

Your attention is drawn to the section headed "5. Public float and maintaining the listing status of the Company" in the "Letter from SDICSI Corporate Finance" contained in this Composite Document.

The Board noted that the Offeror intends the Company to remain listed on the Stock Exchange after the closing of the Offers.

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 Advisers 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 Offers are fair and reasonable and as to the acceptance of the Offers.

ADDITIONAL INFORMATION

Your 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 SDICSI Corporate Finance" 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.

Yours faithfully,
For and on behalf of the Board of
Shanshan Brand Management Co., Ltd.
Luo Yefei
Chairman and Executive Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

杉杉品牌運營股份有限公司

SHANSHAN BRAND MANAGEMENT CO., LTD.

(A joint stock company established in the People's Republic of China with limited liability)

(Stock Code: 1749)

To the Independent Shareholders

Dear Sir or Madam,

(1) MANDATORY CONDITIONAL CASH OFFER BY SDICS INTERNATIONAL SECURITIES (HONG KONG) LIMITED FOR AND ON BEHALF OF MR. LUO YEFEI FOR ALL THE H SHARES IN SHANSHAN BRAND MANAGEMENT CO., LTD (OTHER THAN THOSE H SHARES ALREADY OWNED OR AGREED TO BE ACQUIRED BY MR. LUO YEFEI AND PARTIES ACTING IN CONCERT WITH HIM)

AND

(2) MANDATORY CONDITIONAL CASH OFFER BY MR. LUO YEFEI FOR ALL THE DOMESTIC SHARES IN SHANSHAN BRAND MANAGEMENT CO., LTD (OTHER THAN THOSE DOMESTIC SHARES ALREADY OWNED OR AGREED TO BE ACQUIRED BY MR. LUO YEFEI AND PARTIES ACTING IN CONCERT WITH HIM)

INTRODUCTION

Reference is made to the composite document dated 12 September 2025 jointly issued by the Company and the Offeror (the “**Composite Document**”), of which this letter forms part. Unless otherwise specified, capitalised terms used in this letter shall have the same meanings as defined in the Composite Document.

We have been appointed by the Board to form the Independent Board Committee for the purpose of advising the Independent Shareholders in respect of the Offers, as to whether the Offers are fair and reasonable and as to acceptance of the Offers.

Grande Capital Limited has been appointed, with our approval, as the Independent Financial Adviser to advise us in connection with the Offers, as to whether the Offers are fair and reasonable and as to acceptance of the Offers. Details of their advice and the principal factors considered by them in arriving at their advice and recommendations are set out in the “Letter from the Independent Financial Adviser” in the Composite Document.

We also wish to draw your attention to “Letter from SDICSI Corporate Finance”, “Letter from the Board” and the additional information set out in the Composite Document, including the appendices to the Composite Document and the accompanying Forms of Acceptance in respect of the terms of the Offers and the acceptance and settlement procedures for the Offers.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

RECOMMENDATIONS

Having considered the terms of the Offers, the information contained in the Composite Document and having taken into account the advice and recommendations of the Independent Financial Adviser and the principal factors taken into consideration by them in arriving at their opinion, we consider that the Offers are not fair and reasonable so far as the Independent Shareholders are concerned and are of the view that the Independent Shareholders who would like to realise part or all of their investments in the Shares may, instead of accepting the Offers, consider selling their Shares in the open market. Therefore, we recommend the Independent Shareholders not to accept the Offers.

The Independent Shareholders who wish to realise part or all their investments in the Company are reminded to monitor the trading price and liquidity of the H Shares during the Offer Period and should, having regard to their own circumstances, consider selling their H Shares in the open market instead of accepting the H Share Offer, if the net proceeds obtained from such disposal of the Shares (after deducting all transaction costs) would be higher than the net proceeds from accepting the H Share Offer.

Notwithstanding our recommendations, the Independent Shareholders are strongly recommended to read the full text of the “Letter from the Independent Financial Adviser” as set out in this Composite Document before making their decisions. Further, the Independent Shareholders are strongly advised that the decision to release or hold their investments is subject to individual circumstances and investment objectives. If in doubt, the Independent Shareholders should consult their own professional advisers for advice.

Yours faithfully,
Independent Board Committee of
Shanshan Brand Management Co., Ltd.

**Mr. Wang
Mingming**
*Non-executive
Director*

**Mr. Chow
Ching Ning**
*Independent
non-executive Director*

Mr. Wang Yashan
*Independent
non-executive Director*

Mr. Wu Xuekai
*Independent
non-executive Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the letter of advice from the Independent Financial Adviser appointed to advise the Independent Board Committee, which has been prepared for the purpose of inclusion into this Composite Document, setting out its advice to the Independent Board Committee in relation to the Offers.



Room 2701, 27/F., Tower 1, Admiralty Centre,
18 Harcourt Road, Admiralty,
Hong Kong

12 September 2025

To: The Independent Board Committee

Dear Sirs,

**(1) MANDATORY CONDITIONAL CASH OFFER BY
SDICS INTERNATIONAL SECURITIES (HONG KONG) LIMITED
FOR AND ON BEHALF OF MR. LUO YEFEI FOR ALL THE H SHARES
IN SHANSHAN BRAND MANAGEMENT CO., LTD.
(OTHER THAN THOSE H SHARES ALREADY
OWNED OR AGREED TO BE ACQUIRED
BY MR. LUO YEFEI AND PARTIES ACTING
IN CONCERT WITH HIM);
AND
(2) MANDATORY CONDITIONAL CASH OFFER BY
MR. LUO YEFEI FOR ALL THE DOMESTIC SHARES IN
SHANSHAN BRAND MANAGEMENT CO., LTD.
(OTHER THAN THOSE DOMESTIC SHARES ALREADY OWNED OR
AGREED TO BE ACQUIRED BY MR. LUO YEFEI AND
PARTIES ACTING IN CONCERT WITH HIM)**

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the independent board committee of Shanshan Brand Management Co., Ltd.,* (the “**Company**”) in relation to (i) the mandatory conditional cash offer by SDICSI Securities for and on behalf of the Offeror for all the H shares in the Company (the “**H Share Offer**”); and (ii) the mandatory conditional cash offer by the Offeror for all the domestic shares in the Company (the “**Domestic Share Offer**”) (the H Share Offer and the Domestic Share Offer, collectively, the “**Offers**”). Details of the Offers are set out in the composite document dated 12 September 2025 (the “**Composite Document**”) jointly issued by the Offeror and the Company, of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Composite Document unless the context otherwise requires.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

With reference to the Joint Announcement, the Board was informed by the Offeror that on 30 June 2025 (after trading hours), the Offeror entered into the Equity Transfer Agreements with the Sellers, pursuant to which the Offeror agreed to acquire and the Sellers agreed to sell an aggregate of 46.50% of the share capital of Ningbo Liankangcai, at an aggregate consideration of RMB1,116,558.00. Completion took place on the date of the Equity Transfer Agreements, being 30 June 2025.

Immediately before Completion, the Offeror was interested in 28,009,000 Domestic Shares (representing approximately 21.00% of the total issued Shares), comprising (i) 14,674,000 Domestic Shares (representing 11.00% of the total issued Shares) directly owned by the Offeror; and (ii) 13,335,000 Domestic Shares (representing approximately 10.00% of the total issued Shares) beneficially owned by Shaanxi Maoye, a company ultimately and beneficially owned as to 80.00% by the Offeror and 20.00% by Ms. Zhou YM, the spouse of the Offeror and an executive Director. Apart from the 28,009,000 Domestic Shares, prior to Completion, the Offeror was also interested in 18.60% of the share capital of Ningbo Liankangcai which held 24,012,000 Domestic Shares (representing 18.00% of the total issued Shares).

Immediately following Completion and at the date of the Joint Announcement, the Offeror held 65.10% of the share capital of Ningbo Liankangcai and therefore deemed to be interested in the 24,012,000 Domestic Shares (representing 18.00% of the total issued Shares) held by Ningbo Liankangcai and hence, Ningbo Liankangcai is regarded to be acting in concert with the Offeror under class (8) presumption of the definition of “acting in concert” under the Takeovers Code. As a result of the foregoing, the Offeror, Shaanxi Maoye and Ningbo Liankangcai owned an aggregate of 52,021,000 Domestic Shares, representing approximately 39.00% of the total issued Shares as at the date of the Joint Announcement. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror will be required to make mandatory conditional general offers in cash for all the issued Domestic Shares and H Shares other than those already owned or agreed to be acquired by the Concert Group in accordance with the Takeovers Code.

THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising the non-executive Directors who have no direct or indirect interest in the Offers, namely Mr. WANG Mingming (王明明先生) as non-executive Director, and all of the independent non-executive Directors, namely Mr. CHOW Ching Ning (周政寧先生), Mr. WANG Yashan (王亞山先生) and Mr. WU Xuekai (武學凱先生), has been established by the Company, to advise the Independent Shareholders in relation to the Offers, in particular as to whether the Offers are fair and reasonable and as to the acceptance of the Offers pursuant to Rule 2.1 of the Takeovers Code.

As Mr. MAO Weiyong (毛偉勇先生), a non-executive Director, holds 50% equity interests in Ningbo Eggshell, a member of the Concert Group, and is considered to have material interests in the Offers, he will not form part of the Independent Board Committee.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We, Grande Capital Limited, have been appointed as the Independent Financial Adviser by the Company with the approval of the Independent Board Committee to advise the Independent Board Committee in connection with the Offers, and in particular, as to whether the Offers are fair and reasonable and as to the acceptance of the Offers.

OUR INDEPENDENCE

We are not associated or connected with the Company, the Offeror, their respective controlling shareholders or any party acting in concert with any of them. During the past two years, save for our appointment as the Independent Financial Adviser to the Independent Board Committee in relation to the Offers, we had no prior engagement with the Company or the Offeror. We are not in the same group as the financial or other professional advisers (including stockbrokers) to the Offeror and the Company. Pursuant to Rule 13.84 of the Listing Rules and Rule 2 of the Takeovers Code, and given that (i) remuneration for our engagement to opine on the terms of the Offers are not conditional upon the outcome of the Offers; (ii) no arrangement exists whereby we shall receive any fees or benefits (other than our said remuneration) from the Company or the Offeror, their respective controlling shareholders or any party acting in concert with any of them; and (iii) our engagement is on normal commercial terms, we are considered to be independent and can act as the Independent Financial Adviser to the Independent Board Committee in relation to the Offers.

BASIS OF OUR OPINIONS

In formulating our opinion, we have reviewed, among other things, (i) the Joint Announcement; (ii) the Composite Document; (iii) the annual reports of the Company for the years ended 31 December 2023 (the “**2023AR**”) and 31 December 2024 (the “**2024AR**”); (iv) Interim Results Announcement; and (v) relevant public information.

We have relied on the statements, information, opinions and representations contained or referred to in the Joint Announcement, the Composite Document and/or information provided to us by the Company, the Directors and the management of the Company (collectively, the “**Management**”) and the Offeror (where applicable). We assume that all statements, information, opinions and representations contained or referred to in the Joint Announcement, the Composite Document and/or information provided to us were true, accurate and complete at the time they were made and continued to be so as at the Latest Practicable Date. We have further assumed that all representations contained or referred to in the Composite Document were true at the time they were made and at the Latest Practicable Date. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Composite Document, save and except for this letter of advice. The Company will notify the Shareholders of any material change to the information contained or referred to in the Composite Document as soon as possible in accordance with Rule 9.1 of the Takeovers Code. The Shareholders will also be informed as soon as possible when there is any material change to the information contained or referred to herein as well as changes to our opinions, if any, after the Latest Practicable Date and throughout the Offer Period.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We consider that we have reviewed sufficient information to reach an informed view, to justify our reliance on the accuracy of the information contained in this Composite Document and to provide a reasonable basis for our advice. We have no reason to believe that any statement, information, opinion or representation relied on by us in forming our opinions is untrue, inaccurate or misleading, nor are we aware of any material fact whose omission of which would render the statements, information, opinions or representations provided to us untrue, inaccurate or misleading. We have not, however, conducted any independent in-depth investigation into the business, financial conditions and affairs or the future prospects of the Group nor have we carried out any independent verification of the information supplied to us.

As set out in the responsibility statement in Appendix IV of the Composite Document, all the Directors jointly and severally accept full responsibility for the accuracy of information contained in this Composite Document (other than that relating to the Concert Group (excluding the Group)) 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 Offeror in the capacity as the offeror of the Offers) have been arrived at after due and careful consideration and there are no other facts not contained in the Composite Document, the omission of which would make any statement contained herein misleading.

As set out in the responsibility statement in Appendix V of the Composite Document, the Offeror accepts full responsibility for the accuracy of the information contained in the Composite Document (other than the information of the Group) and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in the Composite Document (other than those expressed by the Offeror in his capacity as an executive Director as such) have been arrived at after due and careful consideration and there are no other facts not contained in the Composite Document, the omission of which would make any statements contained herein misleading.

We have not considered the tax and regulatory implications on the Independent Shareholders of acceptance or non-acceptance of the Offers, since these depend on their individual circumstances. In particular, Independent Shareholders who are resident overseas or subject to overseas taxes or Hong Kong taxation on securities dealings should consider their own tax positions and, if in any doubt, consult their own professional advisers.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

This letter is issued for the information of the Independent Board Committee solely in connection with their consideration of matters relating to the Offers, and, except for its inclusion in this Composite Document, and for publication on the websites of the SFC (www.sfc.hk), the Stock Exchange (www.hkexnews.hk) and the Company website as required under the Takeovers Code and the Listing Rules, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

PRINCIPAL TERMS OF THE OFFERS

The Offeror is making the Domestic Share Offer, and SDICSI Securities, on behalf of the Offeror, is making the H Share Offer in compliance with the Takeovers Code on the following basis:

For each Domestic Share RMB0.1000 in cash

For each H Share HK\$0.1097 in cash

The Domestic Share Offer Price of RMB0.1000 per Domestic Share was determined with reference to (i) the consideration for the share capital of Ningbo Liankangcai under the Equity Transfer Agreements which was arrived at after arm's length negotiations between the Offeror and the Sellers; and (ii) the 24,012,000 Domestic Shares held by Ningbo Liankangcai. Save for the 24,012,000 Domestic Shares held by Ningbo Liankangcai, it has no other material assets. The Domestic Share Offer Price was calculated by firstly dividing the entire consideration of RMB1,116,558.00 paid under the Equity Transfer Agreements by 46.50% (being the aggregate acquired share capital of Ningbo Liankangcai by the Offeror under the Equity Transfer Agreements) and followed by dividing by the number of 24,012,000 Domestic Shares held by Ningbo Liankangcai.

The H Share Offer Price of HK\$0.1097 per H Share is equivalent to RMB0.1000, being the Domestic Share Offer Price and converted into Hong Kong dollars, based on the median exchange rate of RMB0.91195 to HK\$1.00 quoted by The People's Bank of China on 30 June 2025, being the date of the Joint Announcement.

With reference to the Letter from the Board, as at the Latest Practicable Date, the Company has 133,400,000 Shares in issue comprising (i) 100,000,000 Domestic Shares; and (ii) 33,400,000 H Shares. The Company has no outstanding convertible securities, warrants, options or derivatives in issue which may confer any rights to subscribe for, convert or exchange into Shares as at the date of this joint announcement. Based on the issued share capital of the Company as at the Latest Practicable Date, there are 47,979,000 Domestic Shares and 33,400,000 H Shares subject to the Domestic Share Offer and the H Share Offer, respectively.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Offers are only conditional upon valid acceptances of the Offers being received (and not, where permitted, withdrawn) by 4:00 p.m. on the First Closing Date (or such later time or date as the Offeror may, subject to the Takeovers Code, decide) in respect of the Offer Shares which, together with Shares already owned by the Concert Group and acquired before or during the Offer Period, will result in the Concert Group holding in aggregate more than 50% of the voting rights of the Company.

The Offeror will not increase the Offer Price as set out above. 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.

The Offers will be extended to all Independent Shareholders in accordance with the Takeovers Code. The Offer Shares to be acquired under the Offers shall be fully paid and free from all Encumbrances and together with all rights now and thereafter becoming attached thereto, including but not limited to receive all dividend and other distribution and return of capital, if any which may be declared, made or paid or agreed to be made or paid by reference to a record date on or after the date on which the Offers are made, being the date of this Composite Document.

If, after the date of this Composite Document, any dividend, other distribution and/or other return of capital (whether in cash or in kind) is announced, declared, made or paid in respect of the Shares, the Offeror reserves the right to reduce the Offer Price by all or any part of the amount or value of such dividend, other distribution and/or, as the case may be, return of capital after consultation with the Executive, in which case any reference in the Joint Announcement, 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. The Directors confirm that as at the Latest Practicable Date, (i) the Company has not declared any dividend which remains unpaid, (ii) the Company does not intend to declare any dividend the record date of which will fall on or after the date of the Composite Document, and (iii) the Company does not intend to make, declare or pay any future dividend or make other distributions until the closing of the Offers.

Further details of the Offers are set out in Appendix I to the Composite Document and the accompanying Forms of Acceptance.

Independent Shareholders should read the relevant sections in the Composite Document in full. The Offeror will issue an announcement in relation to the revision, extension or lapse of the Offers or the fulfilment of such condition in accordance with the Takeovers Code and the Listing Rules. The latest time on which the Offeror can declare the Offers unconditional as to acceptances is 7:00 p.m. on the 60th day after the despatch of the Composite Document (or such later date to which the Executive may consent).

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation with regard to the Offers, we have taken into account the following principal factors and reasons:

1. Information and prospects of the Company

1.1 Background of the Company

The Company is a joint stock limited company established in the PRC, the H Shares of which are listed on the Stock Exchange. The business of the Company primarily involves the design, marketing and sale of formal and casual business menswear in the PRC under two brands, namely FIRS and SHANSHAN.

1.2 Financial information of the Company

Financial performance of the Company

Set out below is a summary of the consolidated financial information of the Company for the years ended 31 December 2022 (“FY2022”), 31 December 2023 (“FY2023”), 31 December 2024 (“FY2024”) and the six months ended 30 June 2025 (“6M2025”) and 30 June 2024 (“6M2024”) as extracted from the Interim Results Announcement, 2024AR and 2023AR:

	For the year ended 31 December			Six months ended	
	2024	2023	2022	30 June	
	RMB'000	RMB'000	RMB'000	2025	2024
	(Audited)	(Audited)	(Audited)	(Unaudited)	(Unaudited)
Revenue	1,006,620	1,060,046	881,200	425,213	475,669
Cost of sales	(627,422)	(662,807)	(495,307)	(246,146)	(279,439)
Gross profit	379,198	397,239	385,893	179,067	196,230
Other revenue	1,062	1,584	838	322	1,575
Other gains and losses, net	(3,100)	3,807	1,349	1,134	(1,574)
Selling and distribution expenses	(281,842)	(308,249)	(327,078)	(147,597)	(151,654)
Administrative expenses	(41,920)	(40,394)	(36,820)	(18,719)	(21,770)
Impairment loss on property, plant and equipment	(766)	(288)	(333)	-	-
Impairment loss on right-of-use assets	(1,863)	(1,455)	(2,080)	-	-
(Impairment loss)/reversal on trade receivables, net	(852)	(1,071)	(2,423)	3,437	49
(Impairment loss)/reversal on deposits and other receivables, net	(327)	(823)	1,222	70	66
Write-off of prepayment	-	(472)	(1,708)	-	-
Finance costs	(5,634)	(6,549)	(7,796)	(2,266)	(3,544)
Share of result of an associate	548	(2,628)	6	264	247
Share of result of a joint venture	(21)	(97)	(116)	-	(21)
Profit before income tax	44,483	40,604	10,953	15,712	19,603
Income tax (expense)/credit	(11,312)	(8,998)	5,053	(3,644)	(6,393)
Profit and total comprehensive income for the year attributable to owners of the Company	33,171	31,605	16,006	12,068	13,210

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Group generated revenue primarily from sales of apparel to distributors, direct sales, franchisee sales, sales of work uniform and trademark sub-licensing income, etc. For FY2024, FY2023, FY2022, 6M2025 and 6M2024, the Group's revenue was generated mainly in the PRC under the brands FIRS and SHANSHAN.

6M2025 compared with 6M2024

For 6M2025, total revenue of the Group slightly decreased by approximately 10.6% to RMB425.2 million from RMB475.7 million for 6M2024, primarily attributable to the Group's (i) adherence to its strategy of focusing on core markets and closing inefficient non-core market areas, resulting in a decrease in sales to distributors and franchisees, and (ii) optimization of its live streaming stores and private domain business through managing the live streaming production and promotional related costs. Also, the Group's other revenue decreased by approximately 81.3% to RMB0.3 million for 6M2025 from RMB1.6 million for 6M2024, which was mainly attributable to the Group's (i) decrease in sales of raw materials and (ii) interest income from high-interest bank deposits in 6M2024.

For 6M2025, the Group's selling and distribution expenses decreased by approximately 2.7% to RMB147.6 million from RMB151.7 million for 6M2024, which was mainly attributable to the decrease in the share of franchisees resulted from the decrease in revenue from franchisee channels under cooperative arrangements. Also, reversal of impairment loss on trade receivables of approximately RMB3.4 million was recorded for 6M2025 as compared with reversal of impairment loss of approximately RMB0.1 million for 6M2024, mainly due to the Group's recovery of overdue amount of approximately RMB3.5 million from customers of work uniform. As a result, the Group's profit decreased by approximately 8.3% from approximately RMB13.2 million for 6M2024 to approximately RMB12.1 million for 6M2025.

FY2024 compared with FY2023

For FY2024, total revenue of the Group slightly decreased by approximately 5.0% to RMB1,006.6 million from approximately RMB1,060.0 million for FY2023, primarily attributable to (i) the Group's channel optimization by discontinuing some of the less profitable or loss making cooperation arrangement channels and adjusting marketing policy by reducing the price to attract more sales volume resulted in an overall decrease in revenue from distributor sales channels of RMB18.6 million; and (ii) the Group continued to improve store quality from customers perspective on their sales experience, which including but not limited to quality of salesperson, shop environment and display and reduce the number of low-efficiency stores, in which for franchisee stores would be evaluated based on level of profits or losses contribution for the past three years, prime location selections and renovation frequency) and close down by discontinuing franchisee agreements, resulting in a decrease of 28.3% in sales revenue from the SHANSHAN brand franchise cooperative arrangement. For self-operated stores, the closing down decision will be evaluated mainly based on customer traffic and share of profits or losses for the past three years, which for FY2024 also resulted in decrease of approximately 7.23% in sales revenue compared to FY2023.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

For FY2024 and FY2023, selling and distribution expenses represented approximately 28.0% and 29.0% of the total revenue, which consisted primarily of (i) store and e-commerce expenses; (ii) staff costs; (iii) advertising and promotional expenses; (iv) renovation costs and depreciation; (v) transportation costs; and (vi) traveling expenses. Due to the operation model of the Company with different channels and the Company have to pay for the rental payments for the self-operated stores, commissions and fees paid to third party e-commerce platform for e-commerce sales and revenue sharing fees paid in respect of sales in the franchisee retail stores, the selling and distribution expenses accounted for a higher proportion comparatively.

For FY2024, the profit recorded by the Group increased to approximately RMB33.2 million from approximately RMB31.6 million for FY2023, which was mainly due to (i) lower selling and distribution expenses decreased by approximately 8.6% to RMB281.8 million from approximately RMB308.2 million for FY2023; and (ii) decreased of finance costs by approximately 13.8% to RMB5.6 million for FY2024 from approximately RMB6.5 million for FY2023 mainly due to the decrease in interest expenses on bank borrowings as a result of decrease in bank interest rates. The decrement in selling and distribution expenses was mainly attributable to (i) the decrease in the share of franchisees resulted from) by discontinuing franchisee agreements of low-efficiency stores; and (ii) optimization through strategically arranging physical and digital spaces to enhance customer experience in the self-operated retail stores to maximize exposure and also analyze the logistics network design to reduce transportation costs, lowering the number of less-experienced sales in self-operated retail stores thus leading to the reduction in staff costs, and reduction in the number of retail stores led to a reduction in store expenses including advertising and promotion expenses and staff costs.

FY2023 compared with FY2022

For FY2023, the total revenue of the Group amounting to RMB1,060.0 million, representing an increase of approximately 20.3% as compared with RMB881.2 million in FY2022, primarily attributable to (i) the increase in revenue from two brands (FIRS and SHANSHAN) on e-commerce platforms by 69.5% from RMB190.4 million for FY2022 to RMB322.8 million for FY2023, with the sales of popular products on the Group's e-commerce platforms with the cooperation with various internet platforms and appropriate marketing strategies; and (ii) the increase in trademark sub-licensing income by RMB41.5 million due to the support from online distributors.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

For FY2023, selling and distribution expenses of the Group decreased by approximately 5.8% to RMB308.2 million from RMB327.1 million for FY2022, mainly attributable to (i) the decrease in the share of franchisees resulted from the discontinuing franchisee agreements; and (ii) the adoption of various cost reduction and efficiency enhancement measures by the Group led to the decrease in intermediary service fees as well as renovation and depreciation charges. Whilst, the administrative expenses of the Group increased by approximately 9.8% to RMB40.4 million for FY2023 from RMB36.8 million for FY2022, mainly attributable to the increase in depreciation charged for its fixed assets and legal consulting fees.

Overall, the profit of the Group increased by approximately 97.5% to RMB31.6 million for FY2023 from RMB16.0 million in FY2022, which was mainly due to (i) the increase in revenue and gross profit; and (ii) the decrease in selling and distribution expenses.

Financial position of the Company

Set out below is a summary of the audited consolidated financial positions of the Company extracted from the 2023AR, 2024AR and Interim Results Announcement:

	As at 31 December			As at
	2024	2023	2022	30 June
	RMB'000	RMB'000	RMB'000	2025
	(Audited)	(Audited)	(Audited)	(Unaudited)
Total non-current assets	164,165	103,037	76,832	211,694
Total current assets	655,386	623,352	681,745	543,971
Total current liabilities	525,604	450,911	551,195	441,273
Total non-current liabilities	17,670	21,703	19,877	36,719
Total equity	276,277	253,775	227,505	277,672

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As at 30 June 2025

As of 30 June 2025, the Company's total non-current assets primarily included property, plant and equipment, right-of-use assets, and deferred tax assets in which property, plant and equipment amounting to around RMB115.0 million represented approximately 54.3% of total non-current assets. The property, plant and equipment increased substantially by approximately 70.4% from approximately RMB67.5 million as of 31 December 2024 to approximately RMB115.0 million as of 30 June 2025, which mainly represented the construction costs increased for a comprehensive building, comprising a product research and development center, a high-end digital intelligent manufacturing plant and a digital intelligent warehouse for its formal and causal business menswear business.

As of 30 June 2025, the Company's total current assets mainly consisted of inventories, trade and bills receivables and cash and bank balances, representing approximately 44.5%, 36.8%, 10.9% of total current assets. As of 30 June 2025, the Company's total liabilities decreased by approximately 12.0% to approximately RMB478.0 million from approximately RMB543.3 million as of 31 December 2024 mainly being the net-off effects from (i) decrease in trade payables by approximately RMB101.5 million from approximately RMB216.1 million as at 31 December 2024 to approximately RMB114.6 million as at 30 June 2025, mainly attributable to settlements of amounts due to suppliers in accordance with the respective credit period and (ii) increase in dividend payables from nil as at 31 December 2024 to approximately RMB10.7 million as at 30 June 2025 due to final dividend in respect of the year ended 31 December 2024, approved and payable during the six months ended 30 June 2025.

The non-current liabilities increased by approximately 107.3% from RMB17.7 million as at 31 December 2024 to RMB36.7 million as at 30 June 2025, mainly attributable to the Group obtained a new long term interest-bearing bank borrowing and was secured by a land use right with carrying amount of RMB40,220,033, which was recognised as right-of-use assets, being guaranteed by a subsidiary of the Company, with variable interest rate at 5-year Loan Prime Rate per annum and thus increased the non-current interest-bearing bank borrowings to approximately RMB23.2 million as at 30 June 2025.

As at 30 June 2025, the Group recorded net assets of approximately RMB277.6 million, which represented an increase of approximately RMB1.3 million from net assets of approximately RMB276.3 million as at 31 December 2024.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As at 31 December 2024

As of 31 December 2024, the Company's total non-current assets primarily included property, plant and equipment, right-of-use assets, and deferred tax assets in which property, plant and equipment amounting to around RMB67.5 million represented approximately 41.1% of total non-current assets. The property, plant and equipment increased by approximately 272.8% from approximately RMB14.6 million as of 31 December 2023 to approximately RMB67.5 million as of 31 December 2024. This increment was mainly due to construction in progress of approximately RMB50.0 million (compared to RMB Nil as of 31 December 2023) represented the construction costs increased for a comprehensive building to be completed in 4th quarter of 2025 based on the construction schedule provided by the Management. The comprehensive building comprising a product research and development center, a high-end digital intelligent manufacturing plant and a digital intelligent warehouse for its formal and causal business menswear business.

As of 31 December 2024, the Company's total current assets mainly consisted of inventories, trade and bills receivables and cash and bank balances, representing approximately 42.5%, 36.6%, 16.2% of total current assets. As of 31 December 2024, the Company's total liabilities increased by approximately 15.0% to approximately RMB543.3 million from approximately RMB472.6 million mainly due to increase in trade payables by approximately RMB51.7 million and bills payable of approximately RMB12.8 million. The bills payables were pledged by a deposit of RMB8,500,000 (As at 31 December 2023: RMB 4,200,305) and were guaranteed by a subsidiary of the Company.

As at 31 December 2023

As of 31 December 2023, the Company's total non-current assets primarily included property, plant and equipment, right-of-use assets, and deferred tax assets in which right-of-use assets amounting to around RMB50.7 million represented approximately 49.2% of total non-current assets. The right-of-use assets increased by approximately 272.8% from approximately RMB13.6 million as of 31 December 2022 to approximately RMB50.7 million as of 31 December 2023. The increment was due to an acquisition of the land use rights of a land located in Wangchun Industrial Park, Haishu District, Ningbo City, Zhejiang Province, the PRC during the year ended 31 December 2023.

As at 31 December 2024, the Group recorded net assets of approximately RMB276.3 million, which represented an increase of approximately RMB22.5 million or 8.9% from net assets of approximately RMB253.8 million as at 31 December 2023.

1.3 *Industry Outlook and the Group's prospect*

According to latest China Apparel Market Report from Global Data published on 31 January 2024, the overall China's apparel market is projected to grow at a compound annual growth rate (“CAGR”) of over 9% from 2023 to 2027 in terms of market size, which is driven by increasing disposable incomes, urbanization, and a rising middle class.

From manufacturing point of view, according to the data from the National Bureau of Statistics published on 28 January 2025, the industrial added value of apparel enterprises above designated size* increased by 0.8% year-on-year in 2024, the apparel output of enterprises above designated size* reached 20.46 billion pieces, up by 4.22% year-on-year, 0.19% lower compared with the first three quarters of 2024, but surged by 12.91% compared with the same period of 2023.

According to the data released by the National Bureau of Statistics published on 18 January 2025, China's retail sales of apparel above designated size* totaled RMB1.07 trillion yuan in 2024, seeing a year-on-year increase of 0.1%, 15.3% slower than that of the same period in 2023; online retail sales of wearable goods grew by 1.5% year-on-year, 9.3% slower than that of the same period in 2023.

In terms of these sales statistical figures, the domestic apparel sales market maintained growth in terms of sales value in 2024, supported by factors such as the gradual effect of national policies to promote consumption and the market vitality stimulated by new types of consumption and new modes of business. In 2024, the annual per capita disposable income in China was RMB41,314, a nominal increase of 5.3% over 2023, while the per capita annual consumption expenditure on clothing was only RMB1,521, a mild increase of 2.8 percent, accounting for 5.4% of the per capita consumption expenditure compared to 2023. As the per capita consumption growth rate on clothing is much slower than the disposable income, there is an insufficient willingness to consume regardless of their ability and intensified competition in the domestic market from new players as well as increasing supply from successful international brands, the endogenous impetus of consumption was insufficient, therefore, the growth rate of domestic sales slowed down.

* “Industrial Enterprises above the Designated Size” refers to industrial companies in the PRC whose annual principal business revenue exceeds a specific threshold, which is RMB20 million. This classification is used by China's National Bureau of Statistics to track economic data, such as total profits, value added, and costs, providing a consistent measure of larger industrial activity over time.

* “China's retail sales of apparel above designated size” refers to retail enterprises above the designated size had to have an annual main business income of RMB 5 million or more in 2023.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The manufacturing data represented the supply and the sales statistical data represented the demand, which both data from the National Bureau of Statistics demonstrated a continued mild year-on-year increase in 2024 but the actual growth was much slower than 2023.

In particular, the domestic apparel market, which the Group is operated, has been undergoing intensified competition brought by the tariff adjustments announced by the U.S. since 2024. This has prompted other China manufacturers to explore alternative markets and adjust their export strategies by shifting a higher proportion of their sales efforts to local market than export, which in turn intensified the competition within the domestic apparel industry.

In response to the insufficient willingness to consume among the domestic market, the General Office of the State Council of the People's Republic of China and General Office of the State Council jointly issued the "Special Action Plan to Boost Consumption" 《提振消費專項行動方案》 on 16 March 2025 to boost market vitality. According to data from the National Bureau of Statistics, in the sales of goods above the quota 《限額以上單位商品銷售額》* for July 2025 (https://www.stats.gov.cn/sj/zxfb/202501/t20250117_1958327.html), the apparel, footwear, hats and knitwear category recorded a steady growth of 2.9% compared to same period in 2024.

According to the 2024 Sustainable Consumption Report by consultancy SynTao Co and Shanghai-based Jiemian News on 18 December 2024, over 87 percent of the respondents in China had engaged in low-carbon consumption and almost a quarter of consumers are willing to buy sustainable sports and outdoor equipment, clothing, shoes and bags. Notably, there is a significant shift towards sustainability, with consumers showing a preference for eco-friendly and ethically produced fashion items. So going forward in 2025, China's apparel industry may adhere to the new positioning of the "sci-tech, fashion, green, healthy" industry, continue to optimize the industrial structure and accelerate the cultivation of new productivity and high-quality development, which was in line with the Group's new project in building a comprehensive building for its product research and development of sustainable products in the near future.

* sales of goods above the quota 《限額以上單位商品銷售額》 refers to an enterprise's annual total sales volume exceeding the limit standards of RMB 5 million for retail industry as stipulated by the PRC government, which is one of the important indicators reflecting domestic consumption in the PRC.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

According to the 2024AR and Interim Results Announcement, for the year ended 31 December 2024 and for the six months ended 30 June 2025, the revenue contributed by trading of garments was approximately RMB902.2 million and RMB374.5 million, accounted for approximately 89.6% and 88.1% of total revenue for the respective year/period, respectively and the in terms of geographical location, all of the Company's revenue for FY2023, FY2024 and 6M2025 were generated in the PRC. We noted from the 2024AR, the Management considered, and we concurred, that the China's apparel industry expected to be challenging based on the slow recovery from COVID pandemic and intense competition brought by the global conflicts and tariff war. However, part of the negative effects could be mitigated based on "Special Action Plan to Boost Consumption" as mentioned above, among which insist to improve the mechanism to promote local consumption by implementing series of policies to boost clothing consumption and demand in less developed areas and further promoting national branded and China-Chic styled clothing, which the Group may be benefited from being a local branded manufacturer. Also, along with the supportive government policies such as the national inventory policies 《存量政策》and incremental policies 《增量政策》as implemented since September 2024, which aimed at strengthening the existing economy and stabilizing the market, it is projected the domestic and foreign market demand will gradually recover.

We have further discussed with the Management and understand that the Group has optimized its corporate development strategy with core idea of "high-quality development", deployed and launched its operating activities around the word "high-quality", and continued to focus on the "demand-led" principle and adopted multiple proactive strategic measures such as (i) cooperated with the China Fashion Designers Association (中國服裝設計師協會) to launch a series of major events, including the China Suits Trend Show with the theme of "Kick-off" ("啟序"), "The Revival of Domestic Brands, the Reemergence of Glory – China Suit Industry Development Forum" ("國牌煥新榮耀再現－中國西服產業發展論壇") and the launch ceremony of "2025 White Paper on the China Suit Trends" (《2025中國西服流行趨勢白皮書》) and other important activities, which focused and highlighted Shanshan's core development strategies on the category of suits and enhanced our marketing strategy; (ii) officially signed Mr. Hu Bing (胡兵先生), a famous actor and model, as the new spokesman of China Shanshan brand during the year 2024 to align with its demand-led strategy and cultivating the brand image; and (iii) continued the construction of the industrial park project which aims to establish a benchmark industrial park integrating research and development of apparels, design center, new retail live base, multi-brand incubation, intelligent manufacturing and intelligent warehousing characterized by ecological energy-saving, low-carbon environmental protection and technological intelligence. All these strategies measures were in place to cope with market uncertainties and seize the opportunities arising from the rise of national products in the near future.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In addition, we note that the consumer price index (“CPI”) in China for July 2025 remained the same level for year on year comparison in the industrial sector from National Bureau of Statistics of China (https://www.stats.gov.cn/english/PressRelease/202508/t20250815_1960785.html). Specifically, clothing component of the CPI recorded a mild year-on-year increase of 1.7% from January to July 2025 and 0.4% for FY2024 compared to FY2023, which indicates that the general economy is unchanged while clothing sector is undergoing inflation, which is likely that the costs of production will increase and lower the profit margins for industry practitioners.

The revenue of the Company decreased by approximately 5.0% for FY2024 compared to FY2023 and further decreased by approximately 10.6% for 6M2025 compared to 6M2024. The Management reckoned that this was mainly because of the continuous optimization of the terminal channel layout, resulting in the number of retail terminal stores of the Group being adjusted from 709 as at 31 December 2023 to 662 as at 31 December 2024, including 441 for FIRS and 221 for SHANSHAN as at 31 December 2024, representing a year-on-year decrease in the number of retail stores of approximately 6.6%. The number of retail terminal stores of the Group went further down to 588 as at 30 June 2025, with 403 for FIRS and 185 for SHANSHAN, representing a decrement in the number of retail stores of approximately 10.6%. Despite the closing of inefficient franchisee and self operated stores, the strategies measures mentioned above will still be in place to cope with market uncertainties and seize the opportunities arising from the rise of national products in the near future.

Going forward, the Group will continue to expand its business through diversification, multi-partnership and multi-channel operation mode by revolving around its two core national brands, FIRS and SHANSHAN and create value for the shareholders of Group.

Having considered the above factors (i) continued mild growth of manufacturing output and domestic apparel sales market in 2024 but the competition within the domestic apparel industry might be intensified by some China manufacturers; (ii) the Group’s strategies in capturing new China’s apparel industry trend of sustainability and China-Chic styled clothing by building a comprehensive building for its product research and development center in the near future; (iii) clothing component of the CPI recorded a mild year-on-year increment, which indicates the clothing sector is undergoing inflation and the cost of production will be increased and profit margins will be lower if the price unchanged; (iv) the supportive government policies implemented to promote local consumption. On balanced, we are of the view that there is opportunities for growth of the Group while challenging times may be ahead due to intensified competition within the apparel industry and domestic apparel market growth remained weak, which may affect the prospects and outlook of the Group.

2. Information on and intentions of the Offeror

To provide the Independent Shareholders with basic information on the background of the Offeror, set out below is key information on the Offeror as extracted from the “Letter from SDICSI Corporate Finance” of the Composite Document.

The Offeror (Mr. Luo), aged 50, was appointed as an executive Director on 18 May 2016 and the chairman of the Board on 26 June 2020. Mr. Luo is also the general manager and responsible for the overall development planning and business operations of the Group. He is also (i) a director of Ningbo Shanshan Fashion Brand Management Co., Ltd* (寧波杉杉時尚服裝品牌管理有限公司), and (ii) the manager of Ningbo Shanshan Hanfu Culture Co., Ltd.* (寧波杉杉漢服文化有限公司), both are direct wholly-owned subsidiaries of the Company.

He has over 20 years of experience in the apparel industry. Mr. Luo joined the Group on 1 June 2013 as the general manager of Ningbo Shanshan Garment Brand Management Co., Ltd* (寧波杉杉服裝品牌經營有限公司), the predecessor of the Company. Prior to joining the Company, Mr. Luo was the general manager and the controlling shareholder of Shaanxi Maoye, a substantial shareholder of the Company, a company primarily engaged in the production and sales of garments, where he was responsible for production and operation management from September 2009 to June 2013.

Mr. Luo is the husband of Ms. Zhou YM, an executive Director.

(a) Offeror's intentions regarding the Company

Due to the illiquid nature of the shares of Ningbo Liankangcai, the Sellers are of the view that they face significant difficulty in finding buyers for their interests in Ningbo Liankangcai and the absence of a ready market makes it difficult for shareholders to have an opportunity to exit their investment at an attractive valuation. The Sellers considered that the Acquisition as a good opportunity to realize their investment at an acceptable price. The Offeror also considered that the Acquisition provided a good opportunity to obtain control over Ningbo Liankangcai. The Sellers and the Offeror entered into the Equity Transfer Agreements on 30 June 2025. Completion took place on the same date.

Immediately following Completion and as at the Latest Practicable Date, the Offeror, Shaanxi Maoye and Ningbo Liankangcai owned an aggregate of 52,021,000 Domestic Shares, representing approximately 39.00% of the total issued Shares as at the Latest Practicable Date. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make mandatory conditional general offers in cash for all the issued Domestic Shares and H Shares other than those already owned or agreed to be acquired by the Concert Group in accordance with the Takeovers Code.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

It is the intention of the Offeror to continue with the Group's existing principal activities following the closing of the Offers and to work closely with the Company management team to drive both customer and shareholder value.

As at the Latest Practicable Date, the Offeror has no intention or has not entered into any memorandum, agreement, arrangement, negotiation or undertaking (formal or informal; express or implied) to downsize or dispose of any of the Company's existing business and/or acquire any new businesses.

As at the Latest Practicable Date, the Offeror does not have any plans to make any material changes to the continued employment of the employees of the Group (other than in the ordinary course of business) and does not expect there to be significant redeployment of the fixed assets of the Group. The Offeror will conduct a strategic review of the Group's assets, corporate structure, capitalization, operations, properties, policies and management to determine if any changes would be appropriate and desirable following the completion of the Offers with a view to optimising the Group's activities and development, and may make such changes as the Offeror deems necessary, appropriate or beneficial for the Group following its strategic review and/or taking into account any future developments.

Set out below are the intentions of the Offeror in respect of the Company as extracted from the "Letter from SDICSI Corporate Finance" in the Composite Document (for details, please refer to the section headed "4. The intention of the Offeror on the Group" of the "Letter from the SDICSI Corporate Finance"):

(b) Maintaining the listing status of the Company

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

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

then the Stock Exchange will consider exercising its discretion to suspend dealings in the H Shares.

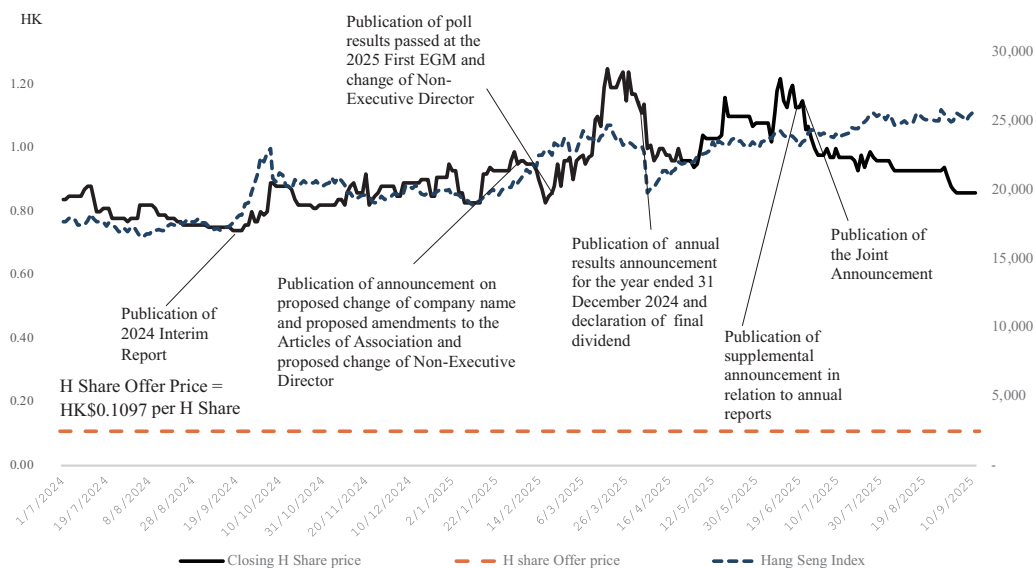
The Offeror intends the Company to remain listed on the Stock Exchange after the closing of the Offers. The Offeror has undertaken to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

3. Analysis on the Offer Price

3.1 Analysis of historical price performance of the H Shares

Set out below is the movement of the closing prices of the H Shares as quoted on the Stock Exchange during the period from 1 July 2024 (being the 12-month period immediately prior to the Last Trading Day dated 30 June 2025) and up to and including the Latest Practicable Date (collectively, the “**Review Period**”). We consider that a period of 12 months is reasonable and sufficient for the purpose of our analysis having considered the significant and rapid changes in the financial markets in general over the past year. We consider that given such significant and rapid changes in the financial markets, historical price performance of H Shares prior to the Review Period may not be able to provide meaningful reference to the Independent Shareholders.



Source: Bloomberg and website of the Stock Exchange (www.hkex.com.hk)

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

During the Review Period up to the Latest Practicable Date, the highest and lowest closing prices of the H Shares as quoted on the Stock Exchange were HK\$1.25 per H Share recorded on 18 March 2025 and HK\$0.74 per H Share recorded on 17 September 2024, 19 September 2024, 20 September 2024 and 23 September 2024 respectively.

We note that the closing price of the H Shares was on an increasing trend from July 2024 until 31 March 2025. We have discussed with the Management of the Company regarding the aforesaid upward trend and were advised that, save for the events stated in the graph showing movement of the closing prices above, they are not aware of any particular reason that led to the increasing trend of the closing prices of the H Shares from July 2024 until 31 March 2025. On the other hand, we further note that the Hang Seng Index, the benchmark of the Hong Kong stock market, was facing a similar increasing trend over the Review Period as demonstrated in the above graph and we considered that such increase in the H Share price of the Company over the Review Period might be attributable to the positive market sentiment in the recent Hong Kong stock market.

After 1 April 2025 up to the Latest Practicable Date, we noted there were a few surges and fluctuations in the closing price of the H Shares with lowest at HK\$0.87 per H Share recorded on 29 August 2025. The reasons for these surges remain unclear, aside from possible market reactions to announcements by the Company during that time. We have discussed with the Management of the Company regarding the aforesaid surges in the closing price of the H Shares and were advised that, save for the publication of the 2024AR, supplemental announcement in relation to annual report, the Joint Announcement and the Interim Results Announcement, they are not aware of any particular reason that led to the surge in the closing prices of the H Shares.

We further note that the H Shares have consistently traded at a price substantially above the H Share Offer Price of HK\$0.1097 per H Share during the Review Period.

Having considered that (i) the H Share Offer Price represents (a) a discount of approximately 88.69% to the closing price of HK\$0.97 on the Latest Practicable Date; and (b) a discount of approximately 88.08% to the average closing price of approximately HK\$0.92 during the Review Period; and (ii) the H Shares have consistently traded at a price substantially higher than the H Share Offer Price during the Review Period, we consider that the H Share Offer Price is not fair or reasonable in such context.

Shareholders should note that the information set out above is not an indicator of the future performance of the H Shares and that the price of the H Shares may increase or decrease after the Latest Practicable Date.

Independent Shareholders, especially those holding significant stakes, should note that if they wish to realise their investments in the Company, they might not be able to dispose of the H Shares in the market without exerting a downward pressure on the market price of the H Shares taking into account the thin liquidity of the H Shares as analysed below.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

3.2 Trading liquidity analysis

Set out below is the table illustrating the daily trading volume of the H Shares quoted and the percentages of the relevant average daily trading volume to the total number of H Shares in issue during the Review Period:

Month	Number of trading days (Days)	Total trading volume of the H shares (Number of Shares)	Average daily trading volume of the H Shares (Number of Shares)	Percentage of average daily trading volume to total number of the H Shares in issue (%) (Note 1)
2024				
July	22	610,000	27,727	0.021%
August	22	556,000	25,273	0.019%
September	19	239,000	12,579	0.009%
October	21	951,000	45,286	0.034%
November	21	868,000	41,333	0.031%
December	20	399,000	19,950	0.015%
2025				
January	19	816,000	42,947	0.032%
February	20	1,403,000	70,150	0.053%
March	21	3,621,000	172,429	0.129%
April	19	1,388,000	73,053	0.055%
May	20	1,752,000	87,600	0.066%
June	21	340,300	16,205	0.012%
July	22	3,217,000	146,227	0.110%
August	21	1,596,000	76,000	0.057%
September (up to and including the Latest Practicable Date)	8	563,000	70,375	0.053%
For the Review Period:				
Max		3,621,000	172,429	0.129%
Min		239,000	12,579	0.009%
Average		1,221,287	61,809	0.046%

Source: The website of the Stock Exchange (www.hkex.com.hk)

Note:

1. Percentage of average daily trading volume to the total number of issued H Shares is calculated by dividing the average daily trading volume for the month/period by the total number of Shares in issue at the end of each month/period.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As illustrated in the above table, during the Review Period, the average daily trading volume of the H Shares ranged between 239,000 H Shares and 3,621,000 H Shares, representing approximately 0.009% to 0.129% of the total number of H Shares in issue as at the end of the respective month/period.

We noted that the average trading volume of the H Shares in July 2025 was 3,217,000 H Shares, representing approximately 0.110% of the total number of the H Shares in issue. The average daily trading volume of H Shares during this month was higher than the average daily trading volume of H Shares during the Review Period before the publication of the Joint Announcement. We have discussed with the Management of the Company regarding the increase in trading volume during July 2025 and were advised that, save for the publication of the Joint Announcement, they are not aware of any particular reason that led to the increase in the trading volume of the H Shares.

Upon our review of the “HKEx Monthly Market Highlights” for the period from August 2024 to July 2025 (the “**Relevant Period**”) available on the website of the Stock Exchange (https://www.hkex.com.hk/Market-Data/Statistics/Consolidated-Reports/HKEX-Monthly-Market-Highlights?sc_lang=en), we note that the average daily trading turnover over total market capitalisation of listed securities (including Main Board and GEM listed issuers) (the “**Market Trading Turnover Ratio**”) during such period ranged from approximately 0.30% to approximately 0.76% with the average of approximately 0.55%. We consider that the Market Trading Turnover Ratio, as derived from the data in the “HKEx Monthly Market Highlights”, is a representative indicator for overall trading volume of the securities listed on the Stock Exchange. Given that the percentage of the average daily trading volume of the H Shares over total number of H Shares in issue during the Review Period is below the Market Trading Turnover Ratio, we consider that the liquidity of the H Shares during the Review Period as a listed issuer of the Stock Exchange was relatively thin compared to Market Trading Turnover Ratio with lowest as 0.30%, as evidenced by the fact that the percentage of average daily trading volume to the total number of issued H Shares during the Review Period has generally been below 0.15%. Given the Shares are illiquid, the disposal of a significant number of H Shares held by the Shareholders in the open market would likely to trigger price slump of the H Shares.

However, given the increase in trading volume in August 2025 and the current market price of the H Shares as at the Latest Practicable Date is substantially higher than the H Share Offer Price (i.e. HK\$0.1097 per H Share), the Independent Shareholders who would like to realise part or all of their investments in the H Shares, may, instead of accepting the H Share Offer, consider selling their H Shares in the open market.

3.3 Comparisons of value

The Domestic Share Offer Price of RMB0.1000 per Domestic Share and the H Share Offer Price of HK\$0.1097 per H Share represent:

- (i) a discount of approximately 87.24% over the closing price of HK\$0.860 per H Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 88.81% to the closing price of HK\$0.9800 per H Share as quoted on the Stock Exchange on 3 April 2025, being the Last Trading Day;
- (iii) a discount of approximately 89.16% to the average closing price of HK\$1.0120 per H Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 89.78% to the average closing price of HK\$1.0730 per H Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 89.99% to the average closing price of HK\$1.0963 per H Share as quoted on the Stock Exchange for the last 30 consecutive trading days up to and including the Last Trading Day;
- (vi) a discount of approximately 95.17% to the audited consolidated net asset value of the Company of approximately RMB2.0710 (equivalent to approximately HK\$2.2360) per Share (calculated based on (i) the Group's audited consolidated net asset value of RMB276,276,449 as at 31 December 2024 as disclosed in the annual report of the Company published on 22 April 2025; (ii) 133,400,000 Shares in issue as at the Latest Practicable Date; and (iii) the exchange rate of RMB0.92604 to HK\$1.00, being the median exchange rate as announced by the People's Bank of China on 31 December 2024)); and

- (vii) a discount of approximately 95.20% to the unaudited consolidated net asset value of the Company of approximately RMB2.0815 (equivalent to approximately HK\$2.2825) per Share (calculated based on (i) the Group's unaudited consolidated net asset value of RMB277,672,764 as at 30 June 2025 as disclosed in the interim results announcement of the Company published on 26 August 2025; (ii) 133,400,000 Shares in issue as at the Latest Practicable Date; and (iii) the exchange rate of RMB0.91195 to HK\$1.00, being the medium exchange rate as announced by the People's Bank of China on 30 June 2025).

In summary, the H Share Offer Price of HK\$0.1097 per H Share or the Domestic Share Offer Price of RMB1.000 per Domestic Share represents discount in a range of approximately 88.81% to 89.99% over the closing prices of the H Shares for the last 30 consecutive trading days up to and including the Last Trading Day to the Last Trading Day.

Nonetheless, the Offer Price also represents substantial discounts of approximately 95.17% and 95.12% to the audited consolidated net asset value of the Company as at 31 December 2024 as disclosed in the annual report of the Company published on 22 April 2025 and the unaudited consolidated net asset value of the Company as at 30 June 2025 as disclosed in the interim results announcement of the Company published on 26 August 2025, respectively. Therefore, given the substantial discounts to both closing prices and consolidated net asset values of the Company, we considered it is not fair and not reasonable so far as the Independent Shareholders are concerned. For further details comparable analysis, please refer to the section headed "3.4 Peer Comparison Analysis" below.

3.4 Peer Comparison Analysis

As mentioned earlier, the business of the Company primarily involves the design, marketing and sale of formal and casual business menswear in the PRC under two brands, namely FIRS and SHANSHAN.

We noted that the peer comparison analysis of price-to-earnings ratio (the "P/E ratio") analysis and the price-to-book ratio (the "P/B ratio") analysis to compare the Offer Prices against the market valuation of other comparable companies. P/E ratio analysis and P/B ratio analysis are commonly adopted valuation method in the valuation of companies.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As stated in the AR2024, approximately 89.6% and 10.4% of the Group's revenue was derived from trading of garments and trademark sub-licensing income for the year ended 31 December 2024, respectively. Therefore, we have selected comparable companies based on the following criteria: (i) the shares of which are listed on the Main Board of the Stock Exchange; (ii) principally engaged in the manufacturing and trading of garments ("**Garment segment**") and more than 80% of the revenue is derived from Garment segment; (iii) the comparable companies' segment revenue derived from the Garment segment could be identified in their latest published financial report; (iv) was categorised as Consumer Discretionary – Textiles & Clothing – Apparel industry in Hong Kong standard industrial classification and (v) companies with market capitalisation between HK\$10 million and HK\$120 million, which was determined with reference to the implied market capitalisation of the Company of approximately HK\$14.63 million under the Offers and the current market capitalization of the Company as at the Latest Practicable Date of approximately HK\$114.7 million, and with a view to capture sufficient number of companies with similar market capitalisation for our comparison purposes, are considered comparable to the Company. Based on the aforesaid selection criteria and to the best of our effort, we identified four comparable companies (the "**Comparables**") and we believe the Comparables selected based on the above selection criteria are exhaustive. Nevertheless, out of these Comparables, there was no joint stock company that is similar to that of the Company as joint stock company will have similar capital base and liquidity of their shares or market capitalisation would be more similar. In view of the similarity of the industry, business nature and market capitalisation between the Comparables and those of the Company, we consider the Comparables are still fair and representative sample for comparison to the Company. We set out our findings in the table below:

Company name (Stock code)	Principal business	Share price (Note 1)	Market capitalisation (Note 2) (HK\$' million)	P/E ratio (Note 3) (times)	P/B ratio (Note 4) (times)
Sterling Group Holdings Limited (1825)	Principally engaged in the manufacture and trading of apparel products with operations mainly located in Hong Kong, the PRC and Sri Lanka	0.150	51.84	N/A (Note 5)	0.84

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Company name (Stock code)	Principal business	Share price (Note 1)	Market capitalisation (Note 2) (HK\$' million)	P/E ratio (Note 3) (times)	P/B ratio (Note 4) (times)
Moiselle International Holdings Limited (130)	Principally engaged in the design, manufacture, retailing and wholesales of fashion apparel and accessories with operations mainly located in Hong Kong and the PRC	0.133	38.29	N/A (Note 5)	0.15
KNT Holdings Limited (1025)	Principally engaged in the manufacturing and trade of clothing products with operations are mainly located in Hong Kong and the PRC	0.285	57.62	N/A (Note 5)	0.96
Speedy Global Holdings Limited (540)	Principally engaged in the apparel supply chain servicing business including product design, manufacturing as well as logistics arrangement to customers with operations mainly located in the PRC, Cambodia and Hong Kong	0.167	100.20	6.74	0.76
			Minimum	–	0.15
			Maximum	6.74	0.96
			Average	6.74	0.68
The Company (Stock code: 1749)		0.1097 (Note 6)	14.63 (Note 7)	0.40 (Note 8)	0.05 (Note 9)

Source: Information from the website of the Stock Exchange

Notes:

- (1) The share price is based on the closing share price as at the Latest Practicable Date.
- (2) The market capitalisation is based on the number of issued shares and the closing share price as at the Latest Practicable Date.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (3) The P/E ratio is calculated based on the market capitalisation as at the Latest Practicable Date divided by the net profit attributable to equity holders as extracted from the latest published annual report.
- (4) The P/B ratio is calculated based on the market capitalisation as at the Latest Practicable Date divided by the net asset value attributable to equity holders as extracted from the latest published annual report/interim report or interim announcement.
- (5) The P/E ratio of these companies are not applicable as it recorded net loss in its latest financial year.
- (6) The Offers is HK\$0.1097 per H Share and RMB1.0 per Domestic Share.
- (7) The implied market capitalisation of the Group is estimated using the H Share Offer Price and the issued share capital of the Group of 133,400,000 Shares as at the Latest Practicable Date.
- (8) The implied P/E ratio is calculated using the implied market capitalisation divided by the net profit attributable to owners of the Company of approximately RMB276.28 million for the year ended 31 December 2024 as extracted from the 2024AR.
- (9) The implied P/B ratio is calculated using the implied market capitalisation divided by the the Group's unaudited consolidated net asset value of approximately RMB277.6 million as at 30 June 2025 as disclosed in the interim results announcement of the Company published on 26 August 2025 as extracted from the Interim Results Announcement.

We have compared the P/E ratio of the Company as implied by the H Share Offer Price against those of the Comparables. As illustrated in the above table, only one of the Comparables recorded a positive P/E ratio of 6.74, we considered that the P/E analysis is not applicable for this case and the insufficient comparable available is not a meaningful comparative analysis.

Despite that the P/E analysis is not applicable, we have compared the P/B ratio of the Company as implied by the H Share Offer Price against those of the Comparables. As shown on the above table, the P/B ratio of the Comparables ranged from approximately 0.15 times to approximately 0.96 times, with an average of approximately 0.68 times. The implied P/B ratio under the Offers was approximately 0.05 times, which is much lower than the range and average of the Comparables.

Having taken into account that implied P/E analysis is not applicable, the implied P/B ratio is much lower than the range and average of the Comparables, we consider that the Offers reflects a relatively less favourable price when compared to the Comparables in this respect, and hence is not fair and not reasonable so far as the Independent Shareholders are concerned.

RECOMMENDATIONS

Although there are uncertainties regarding the future prospect of the Group as discussed under the paragraph “Industry Outlook” above, in reaching our recommendation as regards the Offers, we have taken into account the factors and reasons set out in sections 1.1 to 3.4 above, and in particular the following:

- (i) The Offer Price represents (a) a discount of approximately 88.69% to the closing price of HK\$0.97 on the Latest Practicable Date; (b) a discount of approximately 88.08% to the average closing price of approximately HK\$0.92 during the Review Period and (c) substantial discounts of approximately 95.17% and 95.12% to the audited consolidated net asset value of the Company as at 31 December 2024 as disclosed in the annual report of the Company published on 22 April 2025 and the unaudited consolidated net asset value of the Company as at 30 June 2025 as disclosed in the interim results announcement of the Company published on 26 August 2025, respectively;
- (ii) the H Shares have consistently traded at a price substantially higher than the H Share Offer Price during the Review Period; and
- (iii) the P/B ratio of the Company as implied by the Offers is substantially lower than the range and average P/B ratio of the Comparables,

we consider that the Offers are not fair and not reasonable so far as the Independent Shareholders are concerned and given the Company’s listing status will be maintained, we are of the view that the Independent Shareholders who would like to realise part or all of their investments in the Shares may, instead of accepting the Offers, consider selling their Shares in the open market after the close of the Offers after conducting their own assessments of whether to continue investing in the Shares based on the development of the Group that they are already informed of. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders not to accept the Offers.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As each individual Independent Shareholder would have different investment objectives and/or circumstances, we would recommend the Independent Shareholders who may require advice in relation to any aspect of the Composite Document, or as to the action to be taken, to consult a licensed securities dealer, bank manager, solicitor, professional accountant, tax adviser or other professional adviser. Furthermore, they should carefully read the procedures for accepting the Offer as set out in the Composite Document, its appendices and the accompanying Forms of Acceptance.

Yours faithfully,
for and on behalf of
Grande Capital Limited
Erica Mak
Responsible Officer

Ms. Erica Mak is a Responsible Officer of Grande Capital Limited licensed to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO and permitted to undertake work as a sponsor. Ms. Mak has over 13 years of experience in accounting and corporate finance in Hong Kong.

To accept the Offers, you should complete and sign the accompanying Form(s) of Acceptance in accordance with the instructions printed thereon, which form part of the terms of the Offers. The instructions set out in this Composite Document should be read together with the instructions printed on the Forms of Acceptance which form part of the terms of the Offers.

1. PROCEDURES FOR ACCEPTANCE OF THE OFFERS

1.1 Procedures for acceptance of the H Share Offer

- (a) To accept the H Share Offer, you should complete and sign the accompanying **WHITE** Form of Acceptance in accordance with the instructions printed thereon, which form part of the terms of the H Share Offer.
- (b) If the H 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 H Shares is/are in your name, and you wish to accept the H Share Offer, you must send the duly completed and signed **WHITE** Form of Acceptance together with the relevant H 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), by post or by hand, to the H Share Registrar, at Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong in an envelope marked “**Shanshan Brand Management Co., Ltd. — H Share Offer**” as soon as possible but in any event so as to reach the H Share Registrar by no later than 4:00 p.m. on the First Closing Date or the Final Closing Date or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code.
- (c) If the H 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 H Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the H Share Offer in respect of your holding of H Shares (whether in full or in part), you must either:
 - (i) lodge your H 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) with the nominee company, or other nominee, and with instructions authorising it to accept the H Share Offer on your behalf and requesting it to deliver in an envelope marked “**Shanshan Brand Management Co., Ltd. — H Share Offer**” the duly completed and signed **WHITE** Form of Acceptance together with the relevant H 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) to the H Share Registrar; or

- (ii) arrange for the H Shares to be registered in your name through the H Share Registrar, and deliver in an envelope marked “**Shanshan Brand Management Co., Ltd. — H Share Offer**” the **WHITE** Form of Acceptance duly completed and signed together with the relevant H 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) to the H Share Registrar; or
 - (iii) if your H 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 authorize HKSCC Nominees Limited to accept the H Share 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 H 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.
- (d) If you have lodged transfer(s) of any of your H Shares for registration in your name and have not yet received your H Share certificate(s), and you wish to accept the H Share Offer in respect of your H Shares, you should nevertheless complete and sign the **WHITE** Form of Acceptance and deliver it, by post or by hand, in an envelope marked “**Shanshan Brand Management Co., Ltd. — H Share Offer**” to the H Share Registrar together with the transfer receipt(s) duly signed by yourself. Such action will be deemed to be an irrevocable instruction and authority to SDICSI Securities or any of its agent(s) to collect from the Company or the H Share Registrar on your behalf the relevant H Share certificate(s) when issued and to deliver such certificate(s) to the H Share Registrar and to authorise and instruct the H Share Registrar to hold such H Share certificate(s), subject to the terms and conditions of the H Share Offer, as if it was/they were delivered to the H Share Registrar with the **WHITE** Form of Acceptance.

- (e) If the H 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 H Shares is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the H Share Offer in respect of your H Shares, the **WHITE** Form of Acceptance should nevertheless be completed and delivered to the H Share Registrar, by post or by hand, in an envelope marked “**Shanshan Brand Management Co., Ltd. — H Share Offer**” together with a letter stating that you have lost one or more of your H 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) or that it is/they are not readily available. If you find such document(s) or if it/they become(s) available, the relevant H 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) should be forwarded to the H Share Registrar as soon as possible thereafter. If you have lost your H Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title, you should also write to the H Share Registrar for a letter of indemnity which, when completed in accordance with the instructions given, should be returned to the H Share Registrar.
- (f) Acceptance of the H Share Offer will be treated as effective and valid only if the completed **WHITE** Form of Acceptance is received by the H Share Registrar on or before the latest time for acceptance of the Offers, being 4:00 p.m. on the First Closing Date or the Final Closing Date or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code and the H Share Registrar has recorded that the acceptance and any relevant documents required by Note 1 to Rule 30.2 of the Takeovers Code have been so received, and is:
- (i) accompanied by the relevant H 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) and, if that/those H 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 H 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 H Shares; or from a registered Shareholder or his personal representatives (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the H Shares which are not taken into account under another sub-paragraph of this paragraph (f)); or

- (ii) certified by the H Share Registrar or the Stock Exchange. If the **WHITE** Form of Acceptance is executed by a person other than the registered Shareholder, appropriate documentary evidence of authority (such as grant of probate or certified copy of power of attorney) to the satisfaction of the H Share Registrar must be produced; and
- (iii) inserted in the **WHITE** Form of Acceptance, the total number of H Shares being equal to that represented by the H Share certificates for H Shares tendered for acceptance of the H Share Offer. If no number is inserted or a number inserted is either greater or smaller than that represented by the H Share certificates for H Shares tendered for acceptance of the H Share Offer or greater than the number of H Shares held by you, the **WHITE** Form of Acceptance will be returned to you for correction and resubmission. Any corrected **WHITE** Form of Acceptance must be resubmitted and received by the H Share Registrar by no later than 4:00 p.m. on the First Closing Date or the Final Closing Date or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code.
- (g) No acknowledgement of receipt of any Form(s) of Acceptance, H 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) will be given.
- (h) The address of the H Share Registrar is Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong.

1.2 Procedures for acceptance of the Domestic Share Offer

- (a) To accept the Domestic Share Offer, you should complete and sign the accompanying **GREEN** Form of Acceptance in the instructions printed thereon, which form part of the terms of the Domestic Share Offer.
- (b) If you wish to accept the Domestic Share Offer, you need to send, by post or by hand, the duly completed **GREEN** Form of Acceptance and those supporting documents required under applicable PRC laws as further described in paragraph (c) below in this section in an envelope marked “**Shanshan Brand Management Co., Ltd. — Domestic Share Offer**”, to the Offeror at 3rd Floor, Building B1, Shanshan New Energy Base, No. 238, Yunlin Middle Road, Haishu District, Ningbo City, Zhejiang Province, the PRC no later than 4:00 p.m. on the First Closing Date or the Final Closing Date or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code.

- (c) Acceptance of the Domestic Share Offer will be accepted and treated as valid only if the following documents are received by the Offeror no later than 4:00 p.m. on the First Closing Date or the Final Closing Date or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code:
- (i) the duly completed **GREEN** Form of Acceptance;
 - (ii) the holder securities number (《持有人證券編號》) issued by CSDC;
 - (iii) the application form for share transfer registration (《股份過戶登記申請》) issued by CSDC and duly executed by you;
 - (iv) other valid identification documents ^{Note 1};
 - (v) in respect of an accepting Domestic Shareholder under the Domestic Share Offer which is a legal person, the documents stated below:
 - (1) for those that are not ultimately controlled by a state-owned entity, resolution of the board of directors and/or the shareholders of the accepting Domestic Shareholder to approve the acceptance of the Domestic Share Offer by such accepting Domestic Shareholder in accordance with the applicable requirements under its articles of association;
 - (2) for those that are ultimately controlled by a state-owned entity, the approval documents for acceptance and settlement of the Domestic Share Offer from the relevant state-owned assets supervision and administration authorities; and
 - (vi) such other documents as required by CSDC for the registration of the Domestic Shares (if any).
- (d) Pursuant to the applicable PRC laws and the rules of CSDC, each of the Offeror and the relevant accepting Domestic Shareholder is required to pay the Domestic Share Offer Transfer Fee. In this connection, the Offeror will pay the accepting Domestic Shareholder's share of the Domestic Share Offer Transfer Fee and deduct such amount from the cash amount payable by the Offeror to the relevant Domestic Shareholders accepting the Domestic Share Offer. No invoice or other payment proof will be issued to you by the Offeror regarding the payment of any transfer fees to the CSDC in connection with your acceptance of the Domestic Share Offer.

- (e) If the **GREEN** Form of Acceptance is executed by a person other than the registered shareholder of the Company, appropriate documentary evidence of authority to the satisfaction of the Offeror must be produced.
- (f) No acknowledgement of receipt of any **GREEN** Form of Acceptance and any documents that are required to be provided for the acceptance of the Domestic Share Offer as stated in this Composite Document will be given.
- (g) The Offeror will be entitled to reject any acceptance which does not comply with the provisions and instructions contained in this Composite Document and in the **GREEN** Form of Acceptance, or which is otherwise incomplete, incorrect or invalid in any respect. If you wish to accept the Domestic Share Offer, it is your responsibility to ensure that the **GREEN** Form of Acceptance is duly completed in all respects and all required documents are provided. A decision by the Offeror to reject any acceptance on the grounds that it has been invalidly, incorrectly or incompletely signed, completed or submitted will be final and binding and the Offeror shall not accept any responsibility or liability for the consequences of such a decision.
- (h) The address of the Offeror is 3rd Floor, Building B1, Shanshan New Energy Base, No. 238, Yunlin Middle Road, Haishu District, Ningbo City, Zhejiang Province, the PRC.
- (i) Please note that by completing and sending the **GREEN** Form of Acceptance to the Offeror, you will be appointing the Offeror as your attorney in respect of all the Domestic Shares to which your acceptance relates.
- (j) In the event that the required documents set out in paragraph (c) above for accepting the Domestic Share Offer are not provided by or before 4:00 p.m. on the First Closing Date or the Final Closing Date or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code, you shall be deemed to be declining the acceptance of the Domestic Share Offer.

Note 1: For the purposes of registering the transfer of Domestic Shares under the Domestic Share Offer with the CSDC, such valid identification documents include:

- (i) In respect of a domestic legal person, such legal person is required to provide a photocopy of the business license (營業執照複印件) affixed with official seal of the legal person, certificate of legal representative (《法定代表人證明書》) affixed with official seal of the legal person, and photocopy of identity card of their legal representative affixed with official seal of the legal person.
- (ii) In respect of a domestic natural person, such natural person is required to provide a photocopy of his/her resident identity card of the PRC.

2. ACCEPTANCE PERIOD AND REVISIONS

- (a) The Offers are made on Friday, 12 September 2025, being the date of this Composite Document, and are capable of acceptance on and from this date.
- (b) The Offeror has the right, subject to the Takeovers Code, to extend the Offers after the despatch of this Composite Document or to revise the terms of the Offers, and make any revision to any of the Offers or any subsequent revision thereof to the extent necessary to implement the revised Offers and subject to the consent of the Executive.
- (c) Unless the Offers have previously been revised or extended with the consent of the Executive, to be valid, the duly completed Forms of Acceptance must be received no later than 4:00 p.m. on the First Closing Date or the Final Closing date (as the case may be), in accordance with the instructions printed on the Forms of Acceptance. Assuming the Offers are declared unconditional on the First Closing Date, the Offers will be extended for 14 days after the Offers are declared unconditional.
- (d) If the Offers are extended, the announcement of such extension will state the next closing date of the Offers.
- (e) If, during the course of the Offers, the Offeror revises the terms of the Offers, all Shareholders, whether or not they have already accepted the Offers, will be entitled to accept the revised Offers under the revised terms. The revised Offers must be kept open for at least 14 days following the date on which the revised offer document is posted and shall not be closed earlier than the First Closing Date.
- (f) If the closing date of the Offers is extended, any reference in this Composite Document and in the Forms of Acceptance to the "First Closing Date" shall, except where the context otherwise requires, be deemed to refer to the subsequent closing date.
- (g) The acceptance of the Offers by or on behalf of a Shareholder in its original form, shall be treated as an acceptance of the relevant Offers as so revised.

3. SETTLEMENT OF THE OFFERS

3.1 Settlement of the H Share Offer

- (a) Provided that the H Share Offer has become or been declared unconditional in all respects and a valid **WHITE** Form of Acceptance has been duly completed in all respects and the relevant H 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) have been received by the H Share Registrar by no later than 4:00 p.m. on the First Closing Date or the Final Closing Date (as the case may be) or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code, a cheque for the amount due to each accepting H Shareholder in respect of the H Shares tendered by him/her/it under the H Share Offer, less the seller's Hong Kong *ad valorem* stamp duty payable by him/her/it, will be despatched to such H 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 (i) the date on which a duly completed **WHITE** Form of Acceptance together with all valid requisite documents from the H Shareholders accepting the H Share Offer are received by the H Share Registrar and in accordance with the Takeovers Code or (ii) the date on which the Offers become or are declared unconditional in all respects, whichever is later.
- (b) Settlement of the consideration to which any H Shareholders are entitled under the H Share Offer will be implemented in full in accordance with the terms of the H Share Offer (save with respect of the payment of the seller's Hong Kong *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 H Shareholders.

3.2 Settlement of the Domestic Share Offer

- (a) Provided that the Domestic Share Offer has become or been declared unconditional in all respects and a valid **GREEN** Form of Acceptance is duly completed in all respects and all required documents to be provided for acceptance of the Domestic Share Offer have been received by the Offeror by no later than 4:00 p.m. on the First Closing Date or the Final Closing Date or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code, remittance by wire transfer for the amount due to each accepting Domestic Shareholder in respect of the Domestic Shares tendered by him/her/it under the Domestic Share Offer, less the seller's PRC stamp duty and the Domestic Share Offer Transfer Fee payable by him/her/it, will be made to such Domestic Shareholder as soon as possible but no

later than seven (7) Business Days after (i) the date on which a duly completed **GREEN** Form of Acceptance together with all valid requisite documents from the Domestic Shareholders accepting the Domestic Share Offer are received by the Offeror and in accordance with the Takeovers Code; or (ii) the date on which the Offers become or are declared unconditional in all respects, whichever is later.

- (b) Settlement of the consideration to which any Domestic Shareholders are entitled under the Domestic Share Offer will be implemented in full in accordance with the terms of the Domestic Share Offer (save with respect of the payment of the seller's PRC stamp duty and the Domestic Share Offer Transfer Fee), 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 Domestic Shareholders.

4. ANNOUNCEMENTS

- (a) By 6:00 p.m. on the First Closing Date or the Final Closing Date (or such later time and/or date as the Executive may permit), the Offeror must inform the Executive and the Stock Exchange of their decision in relation to the expiry, revision and extension of the Offers. The Offeror must publish an announcement in accordance with the Takeovers Code on the Stock Exchange's website by 7:00 p.m. on the First Closing Date or the Final Closing Date stating the results of the Offers and whether the Offers have been revised, extended or expired, amongst other information required under Rule 19.1 of the Takeovers Code. The announcement will state the following:
 - (i) the total number of Shares and rights over Shares for which acceptances of the Offers have been received;
 - (ii) the total number of Shares and rights over Shares held, controlled, or directed by the Concert Group before the Offer Period;
 - (iii) the total number of Shares and rights over Shares acquired or agreed to be acquired during the Offer Period by the Concert Group; and
 - (iv) details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Concert Group has borrowed or lent, save for any borrowed Shares which have been either on-lent or sold.

The announcement will specify the percentages of the relevant classes of issued share capital of the Company and the percentages of voting rights of the Company represented by these numbers of Shares.

- (b) In computing the total number of Shares represented by acceptances, only valid acceptances that are complete and in compliance with Note 1 to Rule 30.2 of the Takeovers Code, and which have been received by the H Share Registrar (in respect of the H Share Offer) and the Offeror (in respect of the Domestic Share Offer) respectively no later than 4:00 p.m. on the First Closing Date or the Final Closing Date (and/or the date as the Offeror may determine and announce in accordance with the Takeovers Code), being the latest time and date for acceptance of the Offers, shall be included.
- (c) As required under the Takeovers Code, all announcements in respect of the Offers must be made in accordance with the requirements of the Takeovers Code and the Listing Rules respectively.

5. NOMINEE REGISTRATION

To ensure equality of treatment of all Independent Shareholders, those registered Shareholders who hold Shares as nominees on behalf of more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. In order for beneficial owners of Shares, whose investments are registered in the names of nominees, to accept the Offers, it is essential that they provide instructions of their intentions with regard to the Offers to their nominees.

6. RIGHT OF WITHDRAWAL

- (a) Acceptance of the Offers tendered by any Independent Shareholders shall be irrevocable and cannot be withdrawn, except in the circumstances set out in sub-paragraph (b) below or in compliance with Rule 17 of the Takeovers Code which provides that an acceptor of the Offers shall be entitled to withdraw his/her/its acceptance after 21 days from the First Closing Date if the Offers have not by then become unconditional as to acceptances.
- (b) Under Rule 19.2 of the Takeovers Code, if the Offeror is unable to comply with any of the requirements of making announcements relating to the Offers set out in the paragraph headed "4. Announcements" above in this Appendix I, the Executive may require that accepting Shareholders be granted a right of withdrawal, on terms acceptable to the Executive, until such requirements as set out in that rule can be met.

In such case, when the Independent Shareholders withdraw their acceptance(s), the Offeror shall, as soon as possible but in any event no later than seven (7) Business Days after the Independent Shareholders' withdrawal, return by ordinary post 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) lodged with the Forms of Acceptance to the relevant Independent Shareholders.

Save as aforesaid, acceptances of the Offers shall be irrevocable and not capable of being withdrawn.

7. WARRANTY

Acceptance of the Offers by any Independent Shareholder will be deemed to constitute a warranty by such person to the Offeror that such Shares acquired from such Shareholder under the Offers are sold or tendered by that Shareholder free from all third party rights and together with all rights and benefits now and thereafter becoming attached thereto, including but not limited to the rights to receive all dividends, other distributions or return of capital, if any, which may be declared, made or paid, agreed to be made or paid by reference to a record date on or after on which the Offers are made, being the date of this Composite Document. In the event that the Company decides to declare, pay, make or agree to pay or make any dividends on or after the date of the Joint Announcement and up to closing of the Offers, the Offeror intends to reduce the Offer Price by the amount of such dividends. The Company does not intend to declare, pay, make or agree to pay or make any dividends on or after the date of this Composite Document and up to closing of the Offers.

8. OVERSEAS H SHAREHOLDERS

The Offeror intends to make the H Share Offer available to all H Shareholders, including those with a registered address in a jurisdiction outside Hong Kong. The availability of the H Share Offer to Overseas H Shareholders may be affected by the applicable laws of the relevant jurisdiction. The Overseas H Shareholders should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the responsibilities of the Overseas H Shareholders who wish to accept the H Share 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 H Share 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 Overseas H Shareholders in respect of such jurisdictions). As at the Latest Practicable Date, there are no Overseas H Shareholders.

Any acceptance of the H Share Offer by any Overseas H Shareholder will be deemed to constitute a representation and warranty from such Overseas H Shareholder to the Offeror and his advisers (including SDICSI Corporate Finance and SDICSI Securities) that the local laws and requirements have been complied with. Overseas H Shareholders should consult their professional advisers if in doubt.

9. STAMP DUTY

9.1 Hong Kong Stamp Duty

- (a) No Hong Kong stamp duty is payable in connection with the acceptances of the Domestic Share Offer.
- (b) The seller's Hong Kong *ad valorem* stamp duty arising in connection with acceptances of the H Share Offer will be payable by the relevant H Shareholders at a rate of 0.1% of (i) the market value of the H Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the H Share Offer, whichever is higher, and the amount of such stamp duty will be deducted from the cash amount payable by the Offeror to the relevant H Shareholders accepting the H Share Offer. The Offeror will arrange for payment of the seller's Hong Kong *ad valorem* stamp duty on behalf of the relevant H Shareholders accepting the H Share Offer and will pay the buyer's Hong Kong *ad valorem* stamp duty in connection with the acceptance of the H Share Offer and the transfer of the H Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

9.2 PRC Stamp Duty

- (a) No PRC stamp duty is payable in connection with the acceptances of the H Share Offer.
- (b) A PRC stamp duty arising in connection with acceptances of the Domestic Share Offer will be payable by the relevant Domestic Shareholders and the Offeror respectively at a rate of 0.05% of the consideration payable by the Offeror in respect of the relevant acceptances of the Domestic Share Offer, in accordance with the stamp duty law of the PRC, and the amount of such duty will be deducted from the cash amount payable by the Offeror to the relevant Domestic Shareholders accepting the Domestic Share Offer. The Offeror will arrange for payment of the seller's PRC stamp duty on behalf of the relevant Domestic Shareholders accepting the Domestic Share Offer and will pay the buyer's stamp duty in connection with the acceptance of the Domestic Share Offer and the transfer of the Domestic Shares in accordance with the stamp duty law of the PRC.

10. TAX IMPLICATIONS

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 Offers. None of the Offeror and/or parties acting in concert with him, the Company, SDICSI Corporate Finance, SDICSI Securities and their respective directors, officers, agents or associates or any other person involved in the Offers accepts any responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offers.

11. GENERAL

- (a) All communications, notices, Form(s) of Acceptance, certificate(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 Offers will be sent to or from the Independent Shareholders or their designated agents, by ordinary post at their own risk, and none of the Offeror, SDICSI Corporate Finance, SDICSI Securities, the H Share Registrar, or other parties involved in the Offers or any of their respective directors, officers, advisers, associates, agents accepts any liability for any loss or any other liabilities that may arise as a result thereof.
- (b) The provisions set out in each of the Forms of Acceptance form part of the terms and conditions of the Offers to which they relate.
- (c) The accidental omission to despatch this Composite Document and/or Forms of Acceptance or any of them to any person to whom the Offers are made will not invalidate either the H Share Offer nor the Domestic Share Offer in any way.
- (d) The H Share Offer is, and all acceptances will be, governed by and construed in accordance with the laws of Hong Kong. Execution of the **WHITE** Form of Acceptance by or on behalf of a H Shareholder will constitute such H Shareholder's agreement that the courts of Hong Kong shall have exclusive jurisdiction to settle any dispute which may arise in connection with the H Share Offer.
- (e) The Domestic Share Offer is, and all acceptances will be, governed by and construed in accordance with the laws of the PRC. Execution of the **GREEN** Form of Acceptance by or on behalf of a Domestic Shareholder will constitute such Domestic Shareholder's agreement that the court in the PRC which the Offeror situates shall have exclusive jurisdiction to settle any dispute which may arise in connection with the Domestic Share Offer.
- (f) References to the Offers in this Composite Document and the Forms of Acceptance shall include any revision and/or extension thereof.
- (g) Acceptance of the Offers 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 it has indicated in the Form(s) of Acceptance is the aggregate number of Shares held by such nominee for such beneficial owners who accept the Offers.

- (h) Due execution of any Form(s) of Acceptance in accordance with Note 1 to Rule 30.2 of the Takeovers Code will constitute an authority to the Offeror, SDICSI Corporate Finance, SDICSI Securities, or such person or persons as the Offeror or SDICSI Corporate Finance, SDICSI Securities may direct to complete, amend and execute any document on behalf of the person or persons accepting the Offers 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 it may direct, the Shares in respect of which such person or persons has/have accepted the Offers.
- (i) Subject to the Takeovers Code, the Offeror reserves the right to notify any matter (including the making of the Offers) to all or any Independent Shareholders and with registered address(es) outside Hong Kong or whom the Offeror or SDICSI Corporate Finance, SDICSI Securities knows to be nominees, trustees or custodians for such persons by announcement in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any such Independent Shareholders to receive or see such notice, and all references in this Composite Document to notice in writing shall be construed accordingly.
- (j) In making their decision, the Independent Shareholders must rely on their own examination of the Offeror, the Company and the terms of the Offers, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained herein together with the Forms of Acceptance shall not be construed as any legal or business advice on the part of the Concert Group, their beneficial owners, the Company, SDICSI Corporate Finance, SDICSI Securities, or their respective professional advisers. The Independent Shareholders should consult their own professional advisers for professional advice.
- (k) The English texts of this Composite Document and the Forms of Acceptance shall prevail over their respective Chinese texts for the purpose of interpretation in case of inconsistency.

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

The following is a summary of the audited financial results of the Group for each of three years ended 31 December 2024 as extracted from the published annual reports of the Company and the unaudited financial results of the Group for the six months ended 30 June 2024 and 2025, respectively, as extracted from the Interim Results Announcement and the interim report of the Company for the six months ended 30 June 2024.

	For the year ended 31 December		2022 RMB	For the six months ended 30 June	
	2024 RMB	2023 RMB		2025 RMB	2024 RMB
Revenue	1,006,620,320	1,060,045,974	881,199,661	425,213,042	475,669,316
Cost of sales	(627,421,780)	(662,806,836)	(495,306,671)	(246,145,684)	(279,439,188)
Gross profit	379,198,540	397,239,138	385,892,990	179,067,358	196,230,128
Other revenue	1,062,271	1,583,534	837,915	321,995	1,966,848
Other gains and losses, net	(3,100,156)	3,806,700	1,349,484	1,134,388	(1,966,570)
Selling and distribution expenses	(281,841,736)	(308,249,013)	(327,077,985)	(147,596,943)	(151,654,324)
Administrative expenses	(41,919,741)	(40,394,094)	(36,820,353)	(18,719,189)	(21,770,045)
Impairment loss on property, plant and equipment	(765,613)	(287,868)	(333,435)	-	-
Impairment loss on right-of-use assets	(1,862,667)	(1,455,137)	(2,080,460)	-	-
Reversal of impairment loss/(impairment loss) on trade receivables, net	(851,735)	(1,070,535)	(2,423,478)	3,437,356	48,947
Reversal of impairment loss/(impairment loss) on deposits and other receivables, net	(326,826)	(822,909)	1,222,082	69,806	65,827
Write-off of prepayment	-	(472,146)	(1,708,379)	-	-
Finance costs	(5,634,254)	(6,549,299)	(7,795,763)	(2,266,263)	(3,543,934)
Share of result of an associate	547,790	(2,627,613)	5,987	263,989	246,682
Share of result of a joint venture	(20,706)	(96,986)	(115,695)	-	(20,708)
Profit before income tax	44,485,167	40,603,772	10,952,910	15,712,497	19,602,851
Income tax expense	(11,311,639)	(8,998,394)	5,053,417	(3,644,182)	(6,392,999)
Profit and total comprehensive income for the year/period attributable to owners of the Company	33,173,528	31,605,378	16,006,327	12,068,315	13,209,852
Earnings per share attributable to the owners of the Company	0.25	0.24	0.12	9.05	9.90

Save for disclosed above, there were no items of income or expenses which are material in respect of the audited consolidated financial statements of the Group for each of the three years ended 31 December 2024 and each of the six-month period ended 30 June 2024 and 2025.

The auditors of the Company for the three years ended 31 December 2024 were BDO Limited. The auditors' reports issued by BDO Limited in respect of the audited consolidated financial statements of the Group for each of the three years ended 31 December 2024 did not contain any qualified or modified opinion, emphasis of matter or material uncertainty related to going concern.

2. CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP

The Company is required to set out or refer to in this Composite Document the consolidated statement of financial position, consolidated statement of cash flows and any other primary statement as shown in the audited consolidated financial statements of the Group for each of the years ended 31 December 2022 (the **"2022 Financial Statements"**), 2023 (the **"2023 Financial Statements"**) and 2024 (the **"2024 Financial Statements"**), respectively, and for the six months ended 30 June 2024 (the **"2024 Interim Results"**) and 30 June 2025 (the **"2025 Interim Results"**), respectively, together with the notes to the relevant published accounts which are of major relevance to the appreciation of the above financial information.

The 2022 Financial Statements are set out from page 108 to page 195 of the annual report of the Company for the year ended 31 December 2022 (the **"2022 Annual Report"**), which was published on 19 April 2023. The 2022 Annual Report is available on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (<http://www.chinafirs.com>), and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0419/2023041900927.pdf>

The 2023 Financial Statements are set out from page 111 to page 195 of the annual report of the Company for the year ended 31 December 2023 (the **"2023 Annual Report"**), which was published on 18 April 2024. The 2023 Annual Report is available on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (<http://www.chinafirs.com>), and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0418/2024041801085.pdf>

The 2024 Financial Statements are set out from page 110 to page 191 of the annual report of the Company for the year ended 31 December 2024 (the **"2024 Annual Report"**), which was published on 22 April 2025. The 2024 Annual Report is available on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (<http://www.chinafirs.com>), and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0422/2025042201641.pdf>

The 2024 Interim Results are set out from page 19 to page 40 of the interim report of the Company for the six months ended 30 June 2024 (the “**2024 Interim Report**”), which was published on 12 September 2024. The 2024 Interim Report is available on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (<http://www.chinafirs.com>), and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0912/2024091200343.pdf>

The 2025 Interim Results are set out from page 1 to 20 of the Interim Results Announcement, which was published on 26 August 2025. The Interim Results Announcement is available on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (<http://www.chinafirs.com>), and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0826/2025082600983.pdf>

3. INDEBTEDNESS

At the close of business on 31 July 2025, being the latest practicable date for the purpose of preparing this statement of indebtedness prior to the printing of this Composite Document, the indebtedness of the Group was as set out below:

As at 31 July 2025, the Group had total outstanding borrowings of approximately RMB217.8 million, comprising 1) a bank loan in the amount of RMB175.0 million guaranteed by a subsidiary of the Group and a director personally; and 2) a specialized bank loan in the amount of RMB42.8 million, for the construction of a comprehensive building with a product research and development center therein, a high-end digital intelligent manufacturing plant and a digital intelligent warehouse, the borrowings are secured by the land use rights of the Group and guaranteed by a subsidiary of the Group and a director personally.

Save as aforesaid, the Group did not, at the close of business on 31 July 2025, have any other material outstanding (i) debt securities, whether issued and outstanding, authorised or otherwise created but unissued, or term loans, whether guaranteed, unguaranteed, secured (whether the security is provided by the Group or by third parties) or unsecured; (ii) other borrowings or indebtedness in the nature of borrowing including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments, whether guaranteed, unguaranteed, secured or unsecured; (iii) mortgages or charges; or (iv) contingent liabilities or guarantees.

4. MATERIAL CHANGE

The Directors confirm that there are no material changes in the financial or trading position or outlook of the Group subsequent to 31 December 2024, being the date to which the latest audited consolidated financial statements of the Group were made up, and up to and including the Latest Practicable Date.

The following is the text of letter and valuation report, prepared for the purpose of incorporation in this composite document, received from Royson Valuation Advisory Limited, an independent property valuer, in connection with their valuation as at 31 July 2025 of the property interests held by the Group in the People's Republic of China.



Royson Valuation Advisory Limited
Unit 1503, 15/F, The L. Plaza
367-375 Queen's Road Central
Hong Kong

12 September 2025

The Board of Directors
Shanshan Brand Management Co., Ltd.
No. 238 Yunlin Middle Road,
Wangchun Industrial Park,
Ningbo City, Zhejiang Province,
The People's Republic of China

Dear Sirs and Madams,

Re: Valuation of a construction in progress of a factory complex (Lot No. WCH-06-e1) located at the junction of the eastern side of Fengcheng Road and the northern side of Kemao Road, Wangchun Industrial Park, Haishu District, Ningbo City, Zhejiang Province, the People's Republic of China 中國浙江省寧波市海曙區望春工業園區科茂路以北，豐成路以東(地塊編號WCH-06-e1)之在建工業廠房 (the **"Property"**)

INSTRUCTIONS

We refer to your instruction for us to value the property interests held by Shanshan Brand Management Co., Ltd. (the **"Company"**) or its subsidiaries (together referred as the **"Group"**) located in the People's Republic of China (the **"PRC"**). We confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Property in existing state as at 31 July 2025 (the **"Valuation Date"**) for the purpose of incorporation into the composite document (the **"Document"**) issued by the Company on the date hereof.

This letter which forms part of our valuation report explains the basis and methodology of valuation, clarifying assumptions, valuation considerations, title investigations and limiting conditions of this valuation.

BASIS OF VALUATION

The valuation is our opinion of the market value (**"Market Value"**) which is defined by the Hong Kong Institute of Surveyors as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently, and without compulsion".

VALUATION METHODOLOGY(IES)

In valuing the Property, we have adopted a combination of the market approach and the cost approach in assessing the land portion of the Property and the buildings and structures standing on the land respectively. Hence, the sum of the two results represents the market value of the Property as a whole. In valuing the land portion of the Property, Market approach provides an indication of value by comparing the asset with identical or similar assets for which price information is available. As the nature of the industrial buildings and structures cannot be valued by market approach, they have therefore been valued by cost approach. Cost approach is an approach that provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or construction.

VALUATION STANDARDS

Our valuation has been prepared in accordance with Rule 11 of the Code on Takeovers and Mergers issued by The Securities and Futures Commission, the HKIS Valuation Standards (2024 Edition) published by the Hong Kong Institute of Surveyors (HKIS), the RICS Valuation – Global Standards (Effective on 31 January 2025) published by the Royal Institution of Chartered Surveyors and the International Valuation Standards (Effective on 31 January 2025) published by the International Valuation Standards Council (IVSC).

VALUATION ASSUMPTION

In valuing the property interests, we have assumed that the owner has free and uninterrupted rights to use the property interest for the whole of the unexpired term as granted and is entitled to transfer the property interest with the residual term without payment of any further premium to the government authorities or any third parties.

Our valuation has been made on the assumption that the owner sells the property interests of the Property on the open market in its existing state without the benefit of deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would serve to affect the values of the property interests. In addition, no account has been taken of any option or right of pre-emption concerning or affecting the sale of the property and no forced sale situation in any manner is assumed in our valuation.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property interests valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interests are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

All consents, approvals and license from relevant government authorities for the property interests have been granted without any onerous conditions or undue time delay which might affect their values. All the required licenses, consents, or other legislative or administrative authority from any local, provincial, or national government, private entity or organization either have been or can be obtained or renewed for any use which the valuation report covers.

All applicable zoning and use regulations and restrictions have been complied with unless nonconformity has been stated, defined, and considered in the valuation report. However, we have assumed that the utilization of the property interest and improvements are within the boundaries of the property interest described and that no encroachment or trespass exists, unless noted in the valuation report.

TITLE INVESTIGATION

We have been shown copies of various title documents and other documents relating to the property interests and have made relevant enquiries. However, we have not examined the original documents to verify the existing title to the property interest or to ascertain any amendment which does not appear on the copies handed to us. We have assumed that the copies of the documents obtained are consistent with their originals. All documents have been used for reference only. We have relied considerably on the information given by the Group's PRC legal advisers, Guangdong Sundial Law Firm (廣東信達律師事務所), concerning the validity of the title to the property interest located in the PRC.

LIMITING CONDITIONS

We have inspected the exteriors and where possible, the interiors of the Property. In the course of our inspections, we did not note any serious structural defects. However, no structural survey has been made and we are therefore unable to report whether the Property is free from rot infestation or any other defects. No tests were carried out on any of the services.

Moreover, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Nor did we undertake archaeological, ecological or environmental surveys for the Property. Our valuation has been prepared on the assumption that these aspects are satisfactory and that no extraordinary expense or delay will be incurred during the construction period. Should it be discovered that contamination, subsidence or other latent defects exists in the Property or on adjoining or neighbouring land or that the Property had been or are being put to contaminated use, we reserve right to revise our opinion of value.

We have not carried out detailed on-site measurement to verify the correctness of the areas in respect of the Property but have assumed that the areas shown on the documents handed to us are correct. All documents have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

Our valuation has been made on the basis that there is no substantial change in the physical conditions of the Property between the Valuation Date and the date of our inspection.

We have relied to a considerable extent on information provided by the Group and accepted advices given to us on such matters, in particular, but not limited to tenure, planning approvals, statutory notices, easements, particulars of occupancy, size and floor areas and all other relevant matters in the identification of the Property.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also been advised by the Group that no material fact has been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

This valuation is to be used only for the purpose stated herein, any use or reliance for any other purpose, by you or third parties, is invalid. No reference to our name or our valuation report in whole or in part, in any document you prepare and/or distribute to third parties may be made without written consent.

For the purpose of compliance with Rule 11.3 of the Code on Takeovers and Mergers and as advised by the Company, the potential tax liabilities which may arise from the sale of the Property in the PRC include: (i) PRC value added tax (equivalent to 9% (Ningbo City) of sales revenue), (ii) other surcharges (equivalent to 12% of value added tax paid), (iii) PRC land appreciation tax (equivalent to 30%-60% of the net appreciation amount), (iv) stamp duty (equivalent to 0.05% on the transaction amount), and (v) PRC corporate income tax of 25%.

As advised by the Company, it is unlikely that such tax liability will be crystallised in the recent future as the Group has no intention to dispose of or transfer the relevant property interests. In arriving at the Market Value, we have not taken into account such tax liability.

REMARKS

Unless otherwise stated, all money amounts stated are in Renminbi (RMB).

We enclose herewith the valuation report.

Yours faithfully,
For and on behalf of
Royson Valuation Advisory Limited

Sr Lawrence Chan Ka Wah

MRICS, MHKIS, R.P.S. (GP), MCIREA, RICS Registered Valuer
Director

Sr Lawrence Chan Ka Wah is a member of the Royal Institution of Chartered Surveyors, a member of the Hong Kong Institute of Surveyors, Registered Professional Surveyors in the General Practice Section, a RICS Registered Valuer and a member of the China Institute of Real Estate Appraisers and Agents, who has over 20 years' experience in the valuation of properties in Hong Kong, Macau, the PRC and the Asia-Pacific Rim.

VALUATION REPORT

Property interests held by the Group in the PRC

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 July 2025 RMB
A construction in progress of a factory complex (Lot No. WCH-06-e1) located at the junction of the eastern side of Fengcheng Road and the northern side of Kemao Road, Wangchun Industrial Park, Haishu District, Ningbo City, Zhejiang Province, the People's Republic of China 中國浙江省寧波市海曙區望春工業園區科茂路以北，豐成路以東（地塊編號WCH-06-e1）之在建工業廠房	The Property comprises a parcel of land with a site area of approximately 28,656 sq.m. The Property will be developed into an industrial complex, including a 4-storey (with basement) workshop and a single storey workshop and other ancillaries with an estimated total gross floor area of approximately 72,339.82 sq.m after completion. The Property is expected to be completed by the end of 2025. The land use rights of the Property were granted for a term expiring on 7 January 2074 for industrial use.	The Property was under construction as at the Valuation Date.	155,000,000

Notes:

- Pursuant to a State-Owned Land Use Rights Grant Contract entered into between Ningbo Bureau of Natural Resources and Planning and 杉杉品牌運營股份有限公司 (Shanshan Brand Management Co., Ltd.) dated 22 December 2023, the land use rights of the Property with a site area of 28,656 sq.m. were granted to 杉杉品牌運營股份有限公司 (Shanshan Brand Management Co., Ltd.) for terms of 50 years for industrial use. The salient terms related to the development conditions of the Property are as below:

Permitted uses	:	Industrial use
Plot Ratio	:	Not less and equal than 2.3 and not more and equal than 2.6
Building Height	:	Not lower and equal than 12 meter and not higher and equal than 45 meter

- Pursuant to a Real Estate Ownership Certificate (Document No.: Zhe Jiang (2024) Ning Bo Shi Hai Shu Bu Dong Chan Quan Di No. 0052615 (浙江(2024)寧波市海曙不動產權第0052615號) dated 6 March 2024, the land use rights of the Property with a site area of approximately 28,656 sq.m. were granted to 杉杉品牌運營股份有限公司 (Shanshan Brand Management Company Limited) for a term expiring on 7 January 2074 for industrial use.
- Pursuant to a Construction Land Planning Permit (Document No.: Di Zi Di 3302032024 YG0016411) (地字第3302032024 YG0016411號) dated 24 January 2024, the Property held by 杉杉品牌運營股份有限公司 (Shanshan Brand Management Company Limited), with a total site area and gross floor area of 28,656 sq.m. and 74,505.6 sq.m. respectively, were approved for industrial use.

4. Pursuant to a Construction Project Planning Permit (Document No.: Jian Zi Di 3302032024 GG0024490) (建字第3302032024 GG0024490號) dated 29 April 2024, the property with a total gross floor area of approximately 72,339.82 sq.m. held by 杉杉品牌運營股份有限公司 (Shanshan Brand Management Company Limited) were approved to be constructed.
5. Pursuant to a Construction Works Commencement Permit (Document No.: Jian Zi Di 330203202405290101) (編號330203202405290101) dated 29 May 2024, the construction work of the property with a total gross floor area of approximately 72,339.82 sq.m. held by 杉杉品牌運營股份有限公司 (Shanshan Brand Management Co., Ltd.) were approved to be commenced. The details are as follows:

Portion of the Property	Approximate Gross Floor Area (sq.m.)	No. of Storey
Guard Room No. 3	50.32	1
Workshop No. 1	11,793.45	1
Workshop No. 2	60,152.70 (above ground)	4 (above ground)
	343.35 (below ground)	1 (below ground)
Total:	72,339.82	

6. Pursuant to a Real Estate Registration Certificate (Document No.: Zhe Jiang (2025) Ning Bo Shi Hai Shu Bu Dong Chan Zheng Ming Di. No. 0018841) (浙江(2025)寧波市海曙不動產證明第0018841號) dated 6 March 2025, the Property is subject to a mortgage in favour of Shanghai Pudong Development Bank Co., Ltd. (Ningbo Branch) 上海浦東發展銀行股份有限公司寧波分行 and Bank of China Limited (Ningbo, Yinzhou Branch) 中國銀行股份有限公司寧波市鄞州分行 corresponding to loan amount of approximately RMB40,118,400 for a term commencing on 28 February 2025 and expiring on 8 July 2026.
7. According to information provided by the Company, the incurred construction cost and estimated total construction cost (exclusive of land cost) for the Property as at the Valuation Date are approximately RMB113,000,000 and RMB162,500,000 respectively.
8. The market value of the Property after completion of the development according to the development proposal provided by the Company as at the Valuation Date is approximately RMB214,200,000.
9. The Property is situated at the junction of Fengcheng Road and Kemao Road in Wangchun Industrial Park of Ningbo City, buildings in the locality are industrial complex. Ningbo Rail Transit Buzheng Station and Ningbo Lishe International Airport are about 12-minute and 16-minute driving distance from the Property respectively. Rail Transit, taxis and buses are accessible to the Property.
10. Our Sr Lawrence K.W. Chan (MRICS, MHKIS, R.P.S.(GP), MCIREA, RICS Registered Valuer) has inspected the Property on 18 August 2025, the external condition of the Property was reasonable.

11. We have been provided with a legal opinion on the Property prepared by the Company's PRC legal adviser, Guangdong Sundial Law Firm (廣東信達律師事務所), which contains, inter alia, the following information:
- a. the Company has obtained the relevant title for the land use right of the Property and, whether as a whole or on a strata-title basis, the title is freely transferable to any third party (both overseas and domestic) in the open market without payment of any land premiums or any incidental costs;
 - b. all land premiums and other costs of ancillary utility services have been settled in full;
 - c. the Property is subject to a mortgage in favour of Shanghai Pudong Development Bank Co., Ltd. (Ningbo Branch) (上海浦東發展銀行股份有限公司寧波分行) and Bank of China Limited (Ningbo, Yinzhou Branch) (中國銀行股份有限公司寧波市鄞州分行) corresponding to loan amount of approximately RMB40,118,000 for a term commencing on 8 February 2025 and expiring on 8 July 2026;
 - d. the Property is free from any seizure or other legal encumbrances other than note 11(c);
 - e. as the Property is under construction, the Property is entitled to be transferred, leased and disposal of the share of the holding company upon its completion whereas relevant legal documents obtained; and
 - f. the following legal documents have been obtained:

i.	State-Owned Land Use Rights Grant Contract	Yes
ii.	Real Estate Ownership Certificate (Land Portion only)	Yes
iii.	Construction Land Planning Permit	Yes
iv.	Construction Works Planning Permit	Yes
v.	Construction Works Commencement Permit	Yes

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 Offers, the Offeror and the Group.

All Directors jointly and severally accept full responsibility for the accuracy of information contained in this Composite Document (other than that relating to the Concert Group (excluding the Group)) 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 Offeror in the capacity as the offeror of the Offers) 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 contained herein misleading.

2. SHARE CAPITAL

As the Company is incorporated in the PRC, the concept of “authorised share capital” is not applicable. The table below sets out the issued share capital of the Company as at the Latest Practicable Date:

	<i>RMB</i>
Issued share capital	
33,400,000 H Shares	33,400,000
100,000,000 Domestic Shares	<u>100,000,000</u>
 Total	 <u><u>133,400,000</u></u>

As at the Latest Practicable Date:

- (i) all of the H Shares currently in issue ranked pari passu in all respects (including as to capital, dividends and voting);
- (ii) no H Shares had been issued by the Company since 31 December 2024 (being the end of the last financial year of the Company); and
- (iii) there were no outstanding options, warrants, derivatives or other securities which carry the right to subscribe for or which are convertible into the H Shares.

3. MARKET PRICES

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

Date	Closing price per H Share (HK\$)
31 December 2024	0.95
28 January 2025	0.93
28 February 2025	0.97
31 March 2025	1.17
30 April 2025	0.94
30 May 2025	1.08
30 June 2025 (the Last Trading Day)	0.98
31 July 2025	0.96
29 August 2025	0.87
10 September 2025 (the Latest Practicable Date)	0.86

The highest and lowest closing prices of the H Shares as quoted on the Stock Exchange during the Relevant Period were HK\$1.25 per H Share (on 13 March 2025) and HK\$0.83 per H Share (on 8 January 2025, 9 January 2025, 10 January 2025, 13 January 2025, 14 January 2025, 15 January 2025 and 18 February 2025), respectively.

4. DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, the interests and short positions of the Directors, the Supervisors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company under section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, which shall be deemed to apply to the Supervisors to the same extent as it applies to the Directors, respectively, were as follows:

Long position in the Domestic Shares

Name of Directors/ Supervisors/ chief executive	Class of Shares	Capacity/Nature of Interests	Number of Shares Interested	Approximate Percentage of Shareholding in the Relevant Class of Shares	Approximate Percentage of Shareholding in the Total Shares
Mr. Luo (Note 1)	Domestic Shares	Interest of a controlled corporation/Corporate interest; Interest of spouse/Family interest; Beneficial owner/ Personal interest	52,021,000	52.021%	38.996%
Ms. Zhou YM (Notes 1 & 2)	Domestic Shares	Interest of a controlled corporation/Corporate interest; Interest of spouse/Family interest	52,021,000	52.021%	38.996%

Notes:

- (1) Mr. Luo was interested in and was deemed to be interested in 52,021,000 Domestic Shares within the meaning of Part XV of the SFO, which represents 52.021% of the total number of issued Domestic Shares and 38.996% of the total number of issued shares of the Company. It comprises (i) 14,674,000 Domestic Shares directly owned by Mr. Luo; (ii) 13,335,000 Domestic Shares beneficially owned by Shaanxi Maoye, a company owned as to 80% by Mr. Luo and 20% by Ms. Zhou YM, the wife of Mr. Luo. Ms. Zhou YM is also the sole director of Shaanxi Maoye (by virtue of the SFO, each of Mr. Luo and Ms. Zhou YM is deemed to be interested in the Domestic Shares held by Shaanxi Maoye); and (iii) 24,012,000 Domestic Shares beneficially owned by Ningbo Liankangcai, a company owned as to 65.10% by Mr. Luo.
- (2) Ms. Zhou YM is the wife of Mr. Luo. By virtue of the SFO, Ms. Zhou YM is deemed to be interested in the same number of Domestic Shares in which Mr. Luo is interested in.

Save as disclosed above and so far as is known to the Directors, as at the Latest Practicable Date, none of the Directors, the Supervisors and the chief executive of the Company had or was deemed to have any other interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares of the Company

As at the Latest Practicable Date, so far as was known to or otherwise notified to any Directors or the chief executive of the Company, the particulars of the corporations or persons (other than the Directors, Supervisors or chief executive of the Company) which or who had interests or short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

Long position in the Domestic Shares

Name of Substantial Shareholders	Class of Shares	Capacity/ Nature of Interests	Number of Shares Interested	Approximate Percentage of Shareholding in the Relevant Class of Shares	Approximate Percentage of Shareholding in the Total Shares
Shanshan ^(Notes 2 & 10)	Domestic Shares	Beneficial owner/ Personal interest	25,834,600	43.774%	32.814%
	Domestic Shares	Person having security interest/other interest	17,938,931		
Shanshan Group ^(Notes 3 & 10)	Domestic Shares	Interest of a controlled corporation/ Corporate interest	25,834,600	43.774%	32.814%
	Domestic Shares	Interest of a controlled corporation/ Corporate interest	17,938,931		
Ningbo Yonggang Clothing Investment Co., Ltd. ("Ningbo Yonggang") ^(Notes 4 & 10)	Domestic Shares	Interest of a controlled corporation/ Corporate interest	25,834,600	43.774%	32.814%
	Domestic Shares	Interest of a controlled corporation/ Corporate interest	17,938,931		

Name of Substantial Shareholders	Class of Shares	Capacity/ Nature of Interests	Number of Shares Interested	Approximate Percentage of Shareholding in the Relevant Class of Shares	Approximate Percentage of Shareholding in the Total Shares
Shanshan Holding ^(Notes 5 & 10)	Domestic Shares	Interest of a controlled corporation/ Corporate interest	25,834,600	43.774%	32.814%
	Domestic Shares	Interest of a controlled corporation/ Corporate interest	17,938,931		
Ningbo Qinggang Investment Co., Ltd. (" Qinggang Investment ") ^(Notes 6 & 10)	Domestic Shares	Interest of a controlled corporation/ Corporate interest	25,834,600	43.774%	32.814%
	Domestic Shares	Interest of a controlled corporation/ Corporate interest	17,938,931		
The late Mr. Zheng Yonggang (" Mr. Zheng ") ^(Notes 1, 7 & 10)	Domestic Shares	Interest of a controlled corporation/ Corporate interest	25,834,600	63.182%	47.363%
	Domestic Shares	Interest of a controlled corporation/ Corporate interest	37,347,000		
Ms. Zhou Jiqing (" Ms. Zhou ") ^(Notes 7 & 10)	Domestic Shares	Interest of a controlled corporation/ Corporate interest	25,834,600	43.774%	32.814%
	Domestic Shares	Interest of a controlled corporation/ Corporate interest	17,938,931		
Ningbo Liankangcai ^(Note 8)	Domestic Shares	Beneficial owner/ Personal interest; Person providing security interest/ Other interest	24,012,000	24.012%	18.000%
Shaanxi Maoye ^(Note 9)	Domestic Shares	Beneficial owner/ Personal interest	13,335,000	13.335%	9.996%
Ms. Zhao	Domestic Shares	Beneficial owner/ Personal interest	12,806,400	12.806%	9.600%
Mr. Zhang	Domestic Shares	Beneficial owner/ Personal interest	6,670,000	6.670%	5.000%

Notes:

- (1) Mr. Zheng passed away on 10 February 2023.
- (2) Shanshan is a joint stock company with limited liability established in the PRC, whose issued shares are listed on the Shanghai Stock Exchange (stock code: 600884). Shanshan is owned as to approximately 34.55% by Shanshan Group, approximately 9.07% by Ningbo Pengze Trading Co., Ltd.* (寧波朋澤貿易有限公司) (a corporation of which Shanshan Group is interested in 100% of its registered capital), approximately 3.19% by Shanshan Holding, approximately 3.44% by Ningbo Yinzhou Jielun Investment Co., Ltd.* (寧波市鄞州捷倫投資有限公司) (a corporation of which Shanshan Holding is interested in 100% of its registered capital), approximately 0.03% by the late Mr. Zheng and approximately 49.72% by other shareholders.
- (3) Shanshan Group is directly interested in approximately 34.55% of the registered share capital of Shanshan and indirectly interested in approximately 9.07% of the registered share capital of Shanshan through Ningbo Pengze Trading Co., Ltd.* (寧波朋澤貿易有限公司), and (together with Shanshan Holding) controls the majority of the board of directors of Shanshan. By virtue of the SFO, Shanshan Group is deemed to be interested in the same number of Domestic Shares in which Shanshan is interested.
- (4) Ningbo Yonggang is interested in approximately 10.00% of the registered capital of Shanshan Group, and (together with Shanshan Holding) controls the majority of the board of directors of Shanshan. By virtue of the SFO, Ningbo Yonggang is deemed to be interested in the same number of Domestic Shares in which Shanshan is interested.
- (5) Shanshan Holding is directly interested in approximately 3.19% of the registered share capital of Shanshan. Further, Shanshan Holding is indirectly interested in (a) approximately 34.55% of the registered share capital of Shanshan through (i) Ningbo Yonggang (a corporation of which Shanshan Holding is interested in approximately 97.65% of its registered capital); and (ii) Shanshan Group (a corporation of which Shanshan Holding is directly interested in approximately 51.80% and indirectly interested in approximately 10.00% through Ningbo Yonggang); (b) approximately 9.07% of the registered share capital of Shanshan through Ningbo Pengze Trading Co., Ltd.* (寧波朋澤貿易有限公司) (a wholly-owned subsidiary of Shanshan Group); and (c) approximately 3.44% of the registered share capital of Shanshan through its wholly-owned subsidiary, Ningbo Yinzhou Jielun Investment Co., Ltd.* (寧波市鄞州捷倫投資有限公司). By virtue of the SFO, Shanshan Holding is deemed to be interested in the same number of Domestic Shares in which Shanshan is interested.
- (6) Qinggang Investment is interested in approximately 44.55% of the registered capital of Shanshan Holding. By virtue of the SFO, Qinggang Investment is deemed to be interested in the same number of Domestic Shares in which Shanshan is interested.
- (7) Qinggang Investment is owned as to 51% by the late Mr. Zheng and 49% by Ms. Zhou. By virtue of the SFO, both the late Mr. Zheng and Ms. Zhou are deemed to be interested in the same number of Domestic Shares in which Shanshan is interested.
- (8) Ningbo Liankangcai is owned as to 65.10% by Mr. Luo. Mr. Mao Weiyong holds 50% capital contribution in Ningbo Eggshell, which Ningbo Eggshell holds 19% equity interest in Ningbo Liankangcai. On 8 December 2023, Ningbo Liankangcai provided guarantee by 17,938,931 Domestic Shares in favour of Shanshan for the amounts payable to Shanshan.
- (9) Shaanxi Maoye is owned as to 80% by Mr. Luo and 20% by Ms. Zhou YM. By virtue of the SFO, each of Mr. Luo and Ms. Zhou YM is deemed to be interested in the Domestic Shares held by Shaanxi Maoye.

- (10) On 8 December 2023, Ningbo Liankangcai provided guarantee by 17,938,931 Domestic Shares to Shanshan for the amounts payable to Shanshan. By virtue of the SFO, each of Shanshan Group, Ningbo Yonggang, Shanshan Holding, Qinggang Investment, the late Mr. Zheng and Ms. Zhou (either through direct or indirect interest) is therefore deemed to be interested in the abovementioned Domestic Shares of security interest held by Shanshan.

Save as disclosed above, as at the Latest Practicable Date, so far as it was known to or otherwise notified to the Directors or the chief executive of the Company, there were no other corporations or persons (other than a Director, Supervisor or chief executive of the Company) which or who had interests in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO.

5. INTERESTS IN THE COMPANY AND ARRANGEMENTS IN CONNECTION WITH THE OFFERS

The Company confirms that as at the Latest Practicable Date:

- (i) save as disclosed in the paragraph headed “4. Disclosure of Interests — Substantial Shareholders’ and Other Persons’ Interests and Short Positions in Shares and Underlying Shares of the Company” in this appendix, no Director has any interest in the Shares, derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into the Shares and none of them had dealt for value in any relevant securities in the Company during the Relevant Period;
- (ii) none of the subsidiaries of the Company, the pension fund of the Company or of its subsidiaries, or person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of acting in concert under 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 exempt principal traders and exempt fund managers, owned or controlled any Shares or any other convertible securities, warrants, options or derivatives in respect of Shares and none of them had dealt for value in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company during the Relevant Period;
- (iii) save for the Offeror, no person had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with 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) and (4) of the definition of “associate” under the Takeovers Code and no person who had such an arrangement had any dealings in any Shares, warrants, options, derivatives and securities carrying conversion or subscription rights into Shares during the Relevant Period;

- (iv) save for Mr. Luo who is the Offeror and Ms. Zhou YM who is a member of the Concert Group, none of the Director who held beneficial shareholdings in the Company (if any) intends to accept the Offers;
- (v) no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company were managed on a discretionary basis by fund managers connected with Company and none of them had dealt for value in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the Relevant Period;
- (vi) 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; and
- (vii) save for the Equity Transfer Agreements, the Irrevocable Undertakings and a guarantee provided by Ningbo Liankangcai registered on 8 December 2023 to Shanshan for amounts payable to Shanshan with 17,938,931 Domestic Shares, there is no understanding, arrangement or agreement or special deal between (a) any Shareholder on the one hand and (b) the Concert Group on the other hand.

6. ARRANGEMENTS AFFECTING DIRECTORS

As at the Latest Practicable Date:

- (i) no arrangement was in place for any benefit (other than statutory compensation) to be given to any Directors as compensation for loss of office or otherwise in connection with the Offers;
- (ii) there was no agreement or arrangement between any Directors and any other person which was conditional on or dependent upon the outcome of the Offers or is otherwise connected with the Offers; and
- (iii) save for the Equity Transfer Agreements, there are no other material contracts entered into by the Company or the Offeror in which any Director has a material personal interest.

7. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors or the supervisors of the Company had any existing or proposed service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

8. QUALIFICATION AND CONSENT OF THE EXPERT

The following are the qualifications of the experts who have given their reports, opinions or advices which are contained in this Composite Document:

Name	Qualifications
Grande Capital Limited	a corporation licensed under the SFO permitted to engage in type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities (as defined under the SFO), the independent financial adviser to advise the Independent Board Committee in respect of the Offers
Royson Valuation Advisory Limited	an independent property valuer

Each of the experts above has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion herein of its letter, report and references to its name, in the form and context in which they are included.

9. MATERIAL LITIGATION

As at the Latest Practicable Date, none of the Company and its subsidiaries was engaged in any litigation or arbitration or claim of material importance and no litigation or claim of material importance was pending or threatened by or against the Company or any members of the Group.

10. MATERIAL CONTRACT

Save as disclosed below, no contracts which are or may be material (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by any member of the Group) have been entered into by the members of the Group within the two years prior to the date of the Joint Announcement up to the Latest Practicable Date:

- (i) the land use rights grant contract entered into between the Company and the Ningbo Natural Resources and Planning Bureau* (寧波市自然資源和規劃局) dated 22 December 2023 in relation to the acquisition of the land use rights of the parcel of the land with a total land area of 28,656 sq.m. (i.e. approximately 43 mu) located in Wangchun Industrial Park, Haishu District, Ningbo City, Zhejiang Province, the PRC (寧波市海曙區望春工業園區) (the “**Land**”) for a consideration of RMB40,118,400;

* For identification purpose only.

- (ii) the standard investment and construction agreement of Haishu District enterprise investment industrial project entered into by the Company and Ningbo Wangchun Industrial Park Committee* (寧波望春工業園區管理委員會) dated 22 December 2023 in relation to the proposed investment by the Company and its subsidiaries to construct a comprehensive building with a product research and development center therein, a high-end digital intelligent manufacturing plant and a digital intelligent warehouse for its formal and business casual menswear on the Land;
- (iii) the lease agreement dated 1 June 2024 entered into between the Company and Ningbo Yiduofu Industrial Co., Ltd. regarding the lease of the premises located at No. 227, Kesheng Road, Jishigang Town, Haishu District, Ningbo City, Zhejiang Province, the PRC by the Group at a rental of RMB8,387,064 per annum; and
- (iv) the lease agreement dated 30 May 2025 entered into between the Company and Ningbo Yiduofu Industrial Co., Ltd. regarding the lease of the premises located at No. 227, Kesheng Road, Jishigang Town, Haishu District, Ningbo City, Zhejiang Province, the PRC by the Group at a rental of RMB8,387,064 per annum.

11. MISCELLANEOUS

- (i) The registered office and headquarter of the Company in the PRC is 238 Yunlin Middle Road, Wangchun Industrial Park, Ningbo, Zhejiang Province, the PRC.
- (ii) The principal place of business of the Company in Hong Kong is 31/F., 148 Electric Road, North Point, Hong Kong.
- (iii) The H Share Registrar is Boardroom Share Registrars (HK) Limited and its office is at Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong.
- (iv) The registered office of Grande Capital Limited is Suite 2701, 27/F., Tower 1, Admiralty Center, 18 Harcourt Road, Admiralty, Hong Kong.
- (v) In the event of inconsistency, the English texts of this Composite Document and the accompanying forms of acceptance shall prevail over their respective Chinese texts.

* For identification purpose only.

12. DOCUMENTS ON DISPLAY

The following documents are available for inspection (i) on the website of the SFC (www.sfc.hk); and (ii) on the website of the Company (<http://www.chinafirs.com/>) during the period from the date of this Composite Document up to end of the Offer Period:

- (i) the articles of association of the Company;
- (ii) the 2022 Annual Report, the 2023 Annual Report, the 2024 Annual Report, the 2024 Interim Report and the Interim Results Announcement;
- (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 from the Independent Financial Adviser”, the text of which is set out in this Composite Document;
- (vi) the material contracts referred to in the section headed “10. Material Contracts” in this appendix;
- (vii) the consent letter referred to in the section headed “8. Qualification and Consent of the Expert” in this appendix;
- (viii) the property valuation report of the Group (including the valuation certificate) prepared by Royson Valuation Advisory Limited, the text of which is set out in Appendix III to this Composite Document; and
- (ix) this Composite Document and the accompanying Forms of Acceptance.

1. RESPONSIBILITY STATEMENT

This Composite Document includes particulars given in compliance with the Takeovers Code for the purpose of providing information to the Shareholders with respect to the Offeror, the Group and the Offers.

The Offeror accepts full responsibility for the accuracy of the information contained in this Composite Document (other than the information of the Group) and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this Composite Document (other than those expressed by the Offeror in his capacity as an executive Director as such) 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. MARKET PRICES

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

Date	Closing price per H Share HK\$
2024	
31 December	0.95
2025	
28 January	0.93
28 February	0.97
31 March	1.17
30 April	0.94
30 May	1.08
30 June (<i>being the Last Trading Day</i>)	0.98
31 July	0.96
29 August	0.87
10 September (<i>being the Latest Practicable Date</i>)	0.86

Highest and lowest H Share prices

During the Relevant Period:

- (a) the highest closing price of the H Shares was HK\$1.2500 per H Share as quoted on the Stock Exchange on 18 March 2025; and
- (b) the lowest closing price of the H Shares was HK\$0.8300 per H Share as quoted on the Stock Exchange on 8 January 2025, 9 January 2025, 10 January 2025, 13 January 2025, 14 January 2025, 15 January 2025 and 18 February 2025.

3. DEALINGS AND INTERESTS IN THE COMPANY'S SECURITIES

Save for (i) the Acquisitions; and (ii) the off-market transaction in relation to the acquisition of 3,335,000 Domestic Shares by the Offeror from a Domestic Shareholder at a consideration of RMB0.1000 per Domestic Share in cash pursuant a conditional sale and purchase agreement dated 28 November 2024 with completion taken place on 17 January 2025, none of the members of the Concert Group and the Non-Accepting Shareholders had dealt for value in any Shares, options, derivatives, warrants or other securities convertible into Shares during the Relevant Period.

As at the Latest Practicable Date, the Offeror was interested in an aggregate of 52,021,000 Domestic Shares (representing approximately 39.00% of the total issued Shares), comprising (i) 14,674,000 Domestic Shares (representing 11.00% of the total issued Shares) directly owned by the Offeror; (ii) 13,335,000 Domestic Shares (representing approximately 10.00% of the total issued Shares) beneficially owned by Shaanxi Maoye, a company ultimately and beneficially owned as to 80.00% by the Offeror and 20.00% by Ms. Zhou YM, the spouse of the Offeror and an executive Director; and (iii) 24,012,000 Domestic Shares (representing 18.00% of the total issued Shares) beneficially owned by Ningbo Liankangcai, the share capital of which was owned as to 65.10% by the Offeror.

As at the Latest Practicable Date, save for the aggregate 52,021,000 Domestic Shares held by the Offeror, Ningbo Liankangcai and Shaanxi Maoye, representing approximately 52.02% of the total issued Domestic Shares and approximately 39.00% of the total issued Shares as disclosed above, and in the section headed "Shareholding Structure of the Company" in the "Letter from the Board" contained in this Composite Document, none of the members of the Concert Group holds, owns or has control or direction over any voting rights or rights over the Shares or convertible securities, warrants, options or derivatives of the Company.

4. OTHER ARRANGEMENTS

As at the Latest Practicable Date:

- (a) save for the Irrevocable Undertakings provided by the Non-Accepting Shareholders not to accept the Offers, none of the members of the Concert Group has received any irrevocable commitment(s) to accept or reject the Offers;
- (b) there is no outstanding derivative in respect of the securities in the Company which has been entered into by any members of the Concert Group;
- (c) save for the Irrevocable Undertakings, there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the Shares exists between the members of the Concert Group and the Shareholders and which might be material to the Offers;

- (d) there is no agreement or arrangement to which any member of the Concert Group is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offers;
- (e) there are no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Concert Group has borrowed or lent;
- (f) save for the consideration paid by the Offeror to the Sellers in relation to the Acquisitions pursuant to the Equity Transfer Agreements, being RMB1,116,558.00, there is no other consideration, compensation or benefit in any form paid or payable by the Concert Group to the Sellers and any parties acting in concert with any of them;
- (g) save for the Acquisitions, there is no other understanding, arrangement or agreement or special deal between (a) the Concert Group on the one hand, and (b) the Sellers and any party acting in concert with any of them on the other hand;
- (h) save for the Equity Transfer Agreements, the Irrevocable Undertakings and a guarantee provided by Ningbo Liankangcai registered on 8 December 2023 to Shanshan for amounts payable to Shanshan with 17,938,931 Domestic Shares, there is no understanding, arrangement or agreement or special deal between (a) any Shareholder on the one hand and (b) the Concert Group on the other hand;
- (i) there is no agreement, arrangement or understanding (including any compensation arrangement) between the Offeror or the Concert Group and any of the Directors, recent Directors, Shareholders or recent Shareholders having any connection with or dependence upon the Offers;
- (j) save as disclosed in the paragraph headed “(5) Confirmation of financial resources” under the section headed “2. Mandatory Conditional Cash Offers” in the “Letter from SDICSI Corporate Finance” contained in this Composite Document in relation to the deposit of the H Shares acquired under the H Share Offer to the Offeror’s securities account maintained with SDICSI Securities, there is no agreement, arrangement or understanding that the Offer Shares acquired in pursuance of the Offers would be transferred, charged or pledged to any other persons;
- (k) there is no arrangement whereby benefit will be given to any Director as compensation for loss of office or otherwise in connection with the Offers; and

- (l) save for the Irrevocable Undertakings, there is no arrangement of the kind referred to in the third paragraph of Note 8 to Rule 22 of the Takeovers Code which exists between any members of the Concert Group and any other person.

5. QUALIFICATIONS AND CONSENTS OF THE EXPERTS

In addition to the information of the experts set out under the paragraph headed “8. Qualification and consent of the expert” in Appendix IV to this Composite Document, the following are the qualifications of the experts who have been named in this Composite Document and/or given opinion or advice which are contained in this Composite Document:

Name	Qualification
SDICSI Corporate Finance	the financial adviser to the Offeror in respect of the Offers, a corporation licensed under the SFO permitted to engage in type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities (as defined under the SFO)
SDICSI Securities	the offer agent in respect of the H Share Offer, a corporation licensed under the SFO permitted to engage in type 1 (dealing in securities) and type 4 (advising on securities) regulated activities (as defined under the SFO)

Each of SDICSI Corporate Finance and SDICSI Securities 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, report, recommendation, opinion and/or references to its name and logo in the form and context in which they are included.

6. MISCELLANEOUS

- (a) The Offeror is Mr. Luo and Ms. Zhou YM is the spouse of Mr. Luo.
- (b) The address of the Offeror and Ms. Zhou YM is at 3rd Floor, Building B1, Shanshan New Energy Base, No. 238, Yunlin Middle Road, Haishu District, Ningbo City, Zhejiang Province, the PRC.
- (c) The principal members of the Concert Group are the Offeror, Ms. Zhou YM, Shaanxi Maoye and Ningbo Liankangcai.
- (d) The director of Shaanxi Maoye is Ms. Zhou YM. The registered address of Shaanxi Maoye is Room 1103b, Tower A, World Trade Building, No. 66, Dongguanzheng Street, Beilin District, Xi'an, Shaanxi Province, the PRC.

- (e) The director of Ningbo Liankangcai is Seller 2. The registered address of Ningbo Liankangcai is Room 3604, No. 12, Office Building No.1, Meishan Salt Field, Beilun District, Ningbo, Zhejiang Province, the PRC.
- (f) SDICSI Corporate Finance is the financial adviser to the Offeror in respect of the Offers and the registered address of SDICSI Corporate Finance is 39/F., One Exchange Square, Central, Hong Kong.
- (g) SDICSI Securities is making the H Share Offer for and on behalf of the Offeror. The registered address of SDICSI Securities is 39/F., One Exchange Square, Central, Hong Kong.
- (h) The H Share Registrar is Boardroom Share Registrars (HK) Limited which is situated at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong.
- (i) The English text of this Composite Document and the accompanying Forms of Acceptance shall prevail over their respective Chinese texts, in case of any inconsistency.

7. DOCUMENTS ON DISPLAY

In addition to the documents set forth in paragraph headed “12. Documents on Display” in Appendix IV to this Composite Document, copies of the following documents will be available for inspection on the website of the SFC at www.sfc.hk and the website of the Company at <http://www.chinafirs.com/> during the period from the date of this Composite Document until the end of the Offer Period:

- (a) the “Letter from SDICSI Corporate Finance”, the text of which is set out in this Composite Document;
- (b) the Irrevocable Undertakings; and
- (c) the letters of consent referred to under the paragraph headed “5. Qualifications and consents of the experts” in this Appendix V.