

To the Shareholders

Dear Sir or Madam,

**VOLUNTARY CONDITIONAL CASH PARTIAL
OFFER BY MANGO FINANCIAL LIMITED
FOR AND ON BEHALF OF THE OFFEROR
TO ACQUIRE 180,000,000 SHARES IN
ELIFE HOLDINGS LIMITED (STOCK CODE: 223)
(OTHER THAN THOSE ALREADY OWNED
BY THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

Reference is made to the Announcement and the circular dated 8 October 2025 issued by the Offeror in relation to, among other things, the Partial Offer.

On 14 May 2025, the Offeror notified the Offeree Company that it had firm intention to make the Partial Offer (in compliance with the Takeovers Code) to acquire 180,000,000 Offer Shares (representing approximately 13.27% of the Offeree Company's issued share capital as at the Latest Practicable Date) other than those already owned by the Offeror and parties acting in concert with it at the Offer Price of HK\$0.056 per Offer Share.

The making of the Partial Offer is subject to (i) consent from the Executive in respect of the Partial Offer pursuant to Rule 28.1 of the Takeovers Code; and (ii) the approval by the shareholders of the Offeror in respect of the Partial Offer at the EGM. Reference is also made to the announcement of the Offeror dated 28 October 2025 in relation to, among other things, poll results of the EGM. As disclosed in such announcement, the Offeror announced that all Pre-Conditions had been fulfilled on 28 October 2025.

The Offeror and parties acting in concert with it held 226,000,000 Shares, representing approximately 16.66% of the Offeree Company's issued share capital as at the Latest Practicable Date.

As at the Latest Practicable Date, the Offeree Company has 1,356,171,754 Shares in issue. Based on the Monthly Return, the Offeree Company does not have any outstanding options, derivatives, warrants or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) which are convertible or exchangeable into Shares, nor has it entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

This letter forms part of this Offer Document and sets out, among other things, principal terms of the Partial Offer, together with the information on the Offeror and the intention of the Offeror regarding the Offeree Group. Further details of the terms and procedures of acceptance of the Partial Offer are set out in Appendix I to this Offer Document and the accompanying Form of Acceptance.

THE PARTIAL OFFER

Principal terms of the Partial Offer

Mango Financial is making the Partial Offer for and on behalf of the Offeror in compliance with the Takeovers Code on the following basis:

For each Offer Share HK\$0.056 in cash

The Offer Price of HK\$0.056 per Share was determined after taking into account, among other things, the historical closing prices of the Shares prior to the Trading Suspension, the trading liquidity of the Shares prior to the Trading Suspension, the financial performance of the Offeree Company, the Issues as disclosed in the section headed "REASONS FOR THE PARTIAL OFFER" below, and the risk posed in case the Offeree Company is unable to meet the Resumption Guidance and the Shares are delisted.

The Partial Offer is extended to all Qualifying Shareholders in accordance with the requirements of the Takeovers Code.

The procedures for acceptance and further details of the Partial Offer are set out in Appendix I to this Offer Document and the accompanying Form of Acceptance.

Pursuant to the Takeovers Code, the Offeree Document will be issued by the Offeree Company with the inclusion of the views of the Board and the independent board committee of the Offeree Company on the Partial Offer, and the written advice of the independent financial adviser of the Offeree Company in relation to whether the Partial Offer is fair and reasonable or not, and the reasons therefor. The Shareholders are advised to read the Offer Document and the Offeree Document before taking any action in respect of the Partial Offer.

Pre-Conditions to the Partial Offer

As disclosed in the Announcement, the making of the Partial Offer was subject to (i) consent from the Executive in respect of the Partial Offer pursuant to Rule 28.1 of the Takeovers Code; and (ii) the approval by the shareholders of the Offeror in respect of the Partial Offer at the EGM.

As disclosed in the announcement of the Offeror dated 28 October 2025 in relation to, among other things, poll results of the EGM, the Offeror announced that all Pre-Conditions had been fulfilled on 28 October 2025.

Condition to the Partial Offer

The Partial Offer is subject to the Condition that valid acceptances being received (and not, where permitted, withdrawn) in respect of a minimum of 180,000,000 Offer Shares at or before 4:00 p.m. (Hong Kong time) on the First Closing Date, which shall be at least 28 days following the Despatch Date of the Offer Document issued by the Offeror in respect of the Partial Offer, or such later date as may be announced by the Offeror in accordance with the requirements of the Takeovers Code.

In the event that valid acceptances are received:

- (i) for less than the required number of 180,000,000 Offer Shares by the First Closing Date, unless the First Closing Date is extended in accordance with the requirements of the Takeovers Code, the Partial Offer will not proceed and will lapse immediately; and
- (ii) for not less than the required number of 180,000,000 Offer Shares on or before the First Closing Date, the Offeror will declare the Partial Offer unconditional as to acceptances on or before the First Closing Date.

Pursuant to Rule 15.1 of the Takeovers Code, where the offeree board circular is posted after the date of the Offer Document, the Partial Offer must initially be open for acceptance for at least 28 days following the Despatch Date.

Pursuant to Rule 15.3 of the Takeovers Code, where a conditional offer becomes or is declared unconditional (whether as to acceptances or in all respects), it should remain open for acceptance for not less than 14 days thereafter. Pursuant to Rule 28.4 of the Takeovers Code, if the Partial Offer has been declared unconditional as to acceptances prior to the First Closing Date, provided that Rule 15.3 of the Takeovers Code is complied with, the Offeror cannot extend the Final Closing Date to a day beyond the 14th day after the First Closing Date.

Accordingly, if the acceptance condition of the Partial Offer is fulfilled during the period between the Despatch Date and the date which is 14 days before the First Closing Date, the Offeror must declare the Partial Offer unconditional as to acceptances on the day the acceptance condition is met, provided that the Partial Offer would remain open for acceptance for not less than 14 days thereafter, and the Offeror cannot extend the First Closing Date and the Final Closing Date would be on (but no earlier than) the First Closing Date. If the acceptance condition of the Partial Offer is fulfilled within the 14-day period before the First Closing Date, the Partial Offer would remain open for acceptance for 14 days after the Partial Offer is declared unconditional as to acceptance (i.e. the Final Closing Date).

The Offeror will issue an announcement in relation to the revision, extension or lapse of the Partial Offer or the fulfilment of the Condition in accordance with the Takeovers Code and the Listing Rules. The latest time on which the Offeror can declare the Partial Offer unconditional in all respects is 7:00 p.m. on the 60th day after the Despatch Date (or such later date to which the Executive may consent).

WARNING: Shareholders and potential investors in the Offeree Company should note that the Partial Offer is subject to the satisfaction of the Condition. Accordingly, the Partial Offer may or may not become unconditional and will lapse if it does not become unconditional. Shareholders and potential investors of the Offeree Company are advised to exercise caution when dealing in the securities of the Offeree Company. Persons who are in doubt as to the action they should take should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers.

Comparison of value for the Offer Price

The Offer Price of HK\$0.056 per Offer Share represents:

- (i) a discount of approximately 48.62% to the closing price of HK\$0.109 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 50.00% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the five consecutive trading days up to and including the trading day immediately before the Last Trading Day of approximately HK\$0.112 per Share;
- (iii) a discount of approximately 50.44% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day of approximately HK\$0.113 per Share;
- (iv) a discount of approximately 49.09% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the 10 consecutive trading days up to and including the Last Trading Day of approximately HK\$0.110 per Share;
- (v) a discount of approximately 52.14% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day of approximately HK\$0.117 per Share;
- (vi) a discount of approximately 39.13% to the audited consolidated net asset value attributable to the Shareholders of approximately HK\$0.092 per Share, calculated based on the audited consolidated net asset value attributable to the Shareholders of approximately HK\$124.1 million as at 31 March 2024 and 1,356,171,754 Shares in issue as at the Latest Practicable Date; and
- (vii) a discount of approximately 50.00% to the adjusted unaudited consolidated net asset value attributable to the Shareholders of approximately HK\$0.112 per Share, calculated based on the audited consolidated net asset value attributable to the shareholders of approximately HK\$124.1 million as at 31 March 2024 plus net proceeds of HK\$27,700,000 from the Share Subscription and 1,356,171,754 Shares in issue as at the Latest Practicable Date.

Trading of the Shares has been suspended from 2 December 2024 and remained suspended as at the Latest Practicable Date.

Highest and lowest Share prices

During the six-month period immediately preceding and including the Last Trading Day (i.e. from 30 May 2024 to 29 November 2024 including the suspension of trading from 2 October 2024 to 24 October 2024 (both dates inclusive)):

- (i) the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.35 per Share on 2 July 2024 and 3 July 2024; and
- (ii) the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.073 per Share on 17 September 2024.

Total value of the Partial Offer

Based on the Offer Price of HK\$0.056 per Offer Share, and assuming valid acceptances of the Partial Offer for the required minimum number of 180,000,000 Offer Shares are tendered by the Qualifying Shareholders, the total cash consideration payable by the Offeror to purchase the Offer Shares from the Qualifying Shareholders under the Partial Offer will be HK\$10,080,000.

Financial resources available for the Partial Offer

The Offeror will finance the consideration payable under the Partial Offer by internal cash resources.

Mango Financial has been appointed as the financial adviser to the Offeror in respect of the Partial Offer and is satisfied that sufficient financial resources are available to the Offeror to satisfy the consideration payable by the Offeror under the Partial Offer.

Acceptance of the Partial Offer

Qualifying Shareholders may accept the Partial Offer in respect of some or all of the Shares held by them. Subject to the Partial Offer becoming unconditional in all respects, if valid acceptances are received for more than the required number of Offer Shares on the date which is (i) the 14th day after the date on which the Partial Offer is declared unconditional as to acceptances; or (ii) the First Closing Date, whichever is the later, provided that the Partial Offer will be open for acceptance for at least 28 days following the Despatch Date, the total number of Offer Shares to be taken up by the Offeror from each accepting Qualifying Shareholder will be determined by the total number of Offer Shares tendered for acceptance in accordance with the following formula (the "Formula"):

$$\frac{A}{B} \times C$$

- A = the number of Offer Shares under the Partial Offer (i.e. 180,000,000 Offer Shares)
B = the total number of Offer Shares validly tendered for acceptance by all Qualifying Shareholders under the Partial Offer
C = the number of Offer Shares tendered for acceptance by the relevant individual Qualifying Shareholder under the Partial Offer

Partial nature of the Partial Offer and effect of fractions

It is possible that, if a Qualifying Shareholder tenders all his/her/its Shares for acceptance under the Partial Offer, not all of such Shares will be taken up.

Fractions of Offer Shares will not be taken up under the Partial Offer and, accordingly, the number of Offer Shares that the Offeror will take up from each Qualifying Shareholder in accordance with the above Formula will be rounded up or down to the nearest whole number at the discretion of the Offeror, and in any event, the total number of Offer Shares to be taken up by the Offeror will not exceed the number of Offer Shares.

Odd lots

Shareholders should note that acceptance of the Partial Offer may result in holding odd lots of Shares. Accordingly, Mango Financial Limited, whose address is at Units 2305-2306, 23/F, Grand Millennium Plaza, 181 Queen's Road Central, Hong Kong (telephone number: (852) 2532 3900, office hours: 9:00 a.m. to 6:00 p.m.) has been appointed by the Offeror to match sales and purchases of odd lot holdings of Shares in the market for a period of six weeks following the close of the Partial Offer to enable such Shareholders to dispose of their odd lots or to top up their odd lots to whole board lots. Shareholders should note that the matching of odd lots is not guaranteed.

Effect of accepting the Partial Offer

Acceptance of the Partial Offer by any Qualifying Shareholder will constitute a warranty by such Qualifying Shareholder to the Offeror that the Shares sold by it to the Offeror under the Partial Offer are fully paid, free from all liens, charges, encumbrances, rights of preemption and any other third party rights of any nature and together with all rights and benefits at any time accruing and attaching thereto, including all rights to any dividend or other distributions the record date of which falls on or after the Final Closing Date. As at the Latest Practicable Date, the Offeree Company has not declared any dividends or other distributions which remain unpaid.

If, after the Latest Practicable Date and up to the Final Closing Date, any dividend or other distribution is declared in respect of the Offer Shares and the record date of which falls on or before the Final Closing Date, the Offeror reserves the right to reduce the Offer Price by an amount equal to the amount of such dividend or distribution in respect of each Offer Share, in which case any reference made to this Offer 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.

Based on the published information of the Offeree Company available to the public, as at the Latest Practicable Date, there has been no dividend or distribution declared by the Offeree Company for the financial year ended 31 March 2024 and up to the Latest Practicable Date.

Acceptances of the Partial Offer shall be irrevocable and shall not be capable of being withdrawn, except as permitted under the Takeovers Code.

Settlement of consideration

Settlement of the consideration payable by the Offeror in respect of valid acceptances of the Partial Offer will be made as soon as possible but in any event no later than seven (7) business days after the Final Closing Date.

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

Hong Kong stamp duty

Qualifying Shareholders who accept the Partial Offer will be required to pay the seller's Hong Kong ad valorem stamp duty arising in connection with their acceptance of the Partial Offer at the rate of 0.1% of (i) the consideration payable by the Offeror in respect of the relevant acceptance of the Partial Offer; or (ii) the market value of the Offer Shares, whichever is higher. Such stamp duty will be deducted from the cash amount payable by the Offeror to such Qualifying Shareholders on acceptance of the Partial Offer.

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

Return of documents

If the Partial Offer does not become, or is not declared, unconditional in all respects within the time permitted by the Takeovers Code, or is withdrawn or lapses, 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) (if applicable) will be returned to persons who have accepted the Partial Offer 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 the Partial Offer is withdrawn or lapsed.

If part of the Shares tendered by the Qualifying Shareholders are not taken up by the Offeror under the Partial Offer, 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) (if applicable) for the Shares not taken up by the Offeror will be returned to persons who have accepted the Partial Offer by ordinary post at his/her/its own risk as soon as possible but in any event no later than seven (7) business days following the Final Closing Date.

Taxation advice

Qualifying 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 Partial Offer. None of the Offeror and parties acting in concert with it, Mango Financial, and their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Partial Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Partial Offer.

Overseas Shareholders

The Partial Offer is made to all Qualifying Shareholders, including the Overseas Shareholders and a copy of this Offer Document will be sent to each Shareholder with registered addresses in Hong Kong or jurisdictions outside Hong Kong. The making of the Partial Offer to persons who are not residents in Hong Kong or who have registered addresses outside Hong Kong may be prohibited or affected by the applicable laws and regulations of the relevant jurisdictions of their residence.

Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should satisfy themselves as to the observance of any applicable legal or regulatory requirements in their own jurisdictions and, where necessary, consult their own professional advisers. It is the responsibilities of any such persons who wish to accept the Partial Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection therewith (including the obtaining of any governmental, exchange control or other consents which may be required or the compliance with other necessary formalities or legal requirements or the payment of any transfer or other taxes due from such persons in respect of such jurisdictions).

Any acceptance of the Partial Offer by any Qualifying Shareholders will be deemed to constitute a representation and warranty from such Qualifying Shareholders to the Offeror that the local laws and requirements have been complied with. The Overseas Shareholders should consult their professional advisers if in doubt.

DEALINGS AND INTERESTS IN THE OFFEREE COMPANY'S SECURITIES

During the Relevant Period, none of the Offeror or parties acting in concert with it had dealt in any Shares, options, derivatives, warrants or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Offeree Company.

The Offeror confirms that, as at the Latest Practicable Date, save for the 226,000,000 Shares held by the Offeror (representing approximately 16.66% of the Offeree Company's issued share capital as at the Latest Practicable Date), none of the Offeror or parties acting in concert with it holds, owns or has control or direction over any voting rights and rights over the Shares, convertible securities, warrants, options or derivatives of the Offeree Company.

None of the Offeror or parties acting in concert with it has acquired any voting rights or rights over Shares during the Relevant Period.

Other arrangements or agreements

The Offeror confirms that, as at the Latest Practicable Date,

- (i) none of the Offeror or parties acting in concert with it has received any irrevocable commitment to accept or to reject the Partial Offer;
- (ii) there is no outstanding derivative in respect of securities in the Offeree Company which has been entered into by the Offeror or parties acting in concert with it;
- (iii) there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the Shares of the Offeree Company or the Offeror and which may be material to the Partial Offer (as referred to in Note 8 to Rule 22 of the Takeovers Code);
- (iv) there is no agreement or arrangement to which the Offeror or any of the parties acting in concert with it 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 Partial Offer;
- (v) none of the Offeror or parties acting in concert with it has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Offeree Company;
- (vi) other than the Offer Price under the Partial Offer, there is no other consideration, compensation or benefit in whatever form paid or to be paid by the Offeror or parties acting in concert with it in connection with the Partial Offer; and
- (vii) there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (1) any Shareholder; and (2) the Offeror and/or parties acting in concert with it.

SHAREHOLDING STRUCTURE OF THE OFFEREE COMPANY AND EFFECT OF THE PARTIAL OFFER

Set out below is the shareholding structure of the Offeree Company as at the Latest Practicable Date and immediately upon completion of the Partial Offer (assuming there will be no other changes to the shareholding structure of the Offeree Company between the Latest Practicable Date and up to the Final Closing Date):

Name of shareholders of the Offeree Company	As at the Latest Practicable Date		Immediately upon completion of the Partial Offer assuming all Qualifying Shareholders tender 100% of their Shares for acceptance under the Partial Offer	
	Number of Shares	% (Note 5)	Number of Shares	% (Note 5)
Directors of the Offeree Company and its subsidiaries				
(Note 2)				
Ms. Qin Jiali	51,672,000	3.81	44,784,122	3.30
Mr. Zhao Zhenzhong	63,192,000	4.66	54,768,506	4.04
Mr. Guo Wei	41,688,000	3.07	36,130,989	2.66
Other directors of the subsidiaries of the Offeree Company	45,000,000	3.32	39,001,500	2.88
Sub-total:	201,552,000	14.86	174,685,117	12.88
The Offeror and parties acting in concert with it				
Offeror (Note 3)	226,800,000	16.66	406,000,000	29.94
Public Shareholders				
Ms. Chen Miaoping (Note 4)	67,808,588	5.00	58,769,703	4.33
Other public Shareholders	860,811,166	63.47	716,716,934	52.85
Total	1,356,171,754	100.00	1,356,171,754	100.00

Notes:

- (1) The above shareholding structure of the Offeree Company was derived based on (i) the Previous Response Document; (ii) the Monthly Return; and (iii) the record made of disclosures of interests in the Shares pursuant to Part XV of the SFO available on the website of the Stock Exchange.
- (2) The respective shareholdings of the Directors and its subsidiaries set out in the table above are (a) derived from the Previous Response Document, assuming (i) full acceptances of the Previous Partial Offer only by the public Shareholders; and (ii) there is no change to their respective shareholdings from the latest practicable date of the Previous Response Document to the Latest Practicable Date; and (b) based on the record made of disclosures of interests in the Shares pursuant to Part XV of the SFO available on the website of the Stock Exchange.
- (3) Save for Mr. Xiang Xin and Ms. Chen Xinqiong, both of whom were former Directors nominated by the Offeror in connection with the Share Subscription, the Offeror does not have any relationship with the Directors, former Directors or the substantial Shareholder, the Directors' subsidiaries, nor with Ms. Chen Miaoping, and they are not parties acting in concert with the Offeror.
- (4) The shareholding of Ms. Chen Miaoping, being the offeror under the Previous Partial Offer, (i) represents her shareholding in the Offeree Company immediately upon closing of the Previous Partial Offer in accordance with the terms thereof, assuming there is no change to her shareholding from the date of closing of the Previous Partial Offer to the Latest Practicable Date; and (ii) is based on the record made of disclosures of interests in the Shares pursuant to Part XV of the SFO available on the website of the Stock Exchange.
- (5) Percentage figures are rounded to two decimal places, and certain percentage figures included in the above table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

INFORMATION ON THE OFFEREE GROUP

Based on the Offeree Company's information set out in its published website, the Offeree Company is an investment holding company incorporated in the Cayman Islands, and the Offeree Company claims that (i) the Offeree Group is principally engaged in the supply chain business for branded goods and consumer products in the Greater China region; (ii) the Offeree Group's core activities encompass a comprehensive range of brand digitisation services, such as brand management, brand promotion and brand supply chain, thereby establishing an integrated industry chain; and (iii) the Offeree Company is also engaged in the supply chain, sales and marketing, and brand building of daily cleaning, anti-epidemic and licensed branded consumer goods.

The following table sets out a summary of certain audited consolidated financial information of the Offeree Group for the two years ended 31 March 2023 and 31 March 2024 as extracted from the annual report of the Offeree Company for the year ended 31 March 2024:

	Year ended 31 March	
	2023 HK\$'000 (audited)	2024 HK\$'000 (audited)
Revenue	238,840	184,086
Gross profit	1,867	31,860
Loss before tax	(22,849)	(23,761)
Loss for the year from continuing operations	(22,882)	(28,954)
Loss for the year	(25,236)	(30,908)
	As at 31 March	
	2023 HK\$'000 (audited)	2024 HK\$'000 (audited)
Net assets	25,612	52,235
Net assets attributable to the Shareholders	98,825	124,095

Based on the Offeree Company's published documents from November 2024 through September 2025, there is an ongoing delay of (i) publication of the interim results of the Offeree Company for the six months ended 30 September 2024 and the preliminary results of the Offeree Company for the year ended 31 March 2025 and (ii) despatch of the interim report and annual report of the Offeree Company for the aforesaid financial period/year. For details, please refer to the announcements of the Offeree Company dated 29 November 2024, 12 December 2024, 7 January 2025, 28 January 2025, 30 June 2025, 2 September 2025, respectively. As at the Latest Practicable Date, the aforesaid interim results and the annual results have yet to be published.

INFORMATION ON THE OFFEROR

The Offeror is a limited liability company incorporated in the Cayman Islands with its shares listed on the Main Board of the Stock Exchange (stock code: 1217). The Offeror is principally engaged in investments with its principal investment objective to achieve medium to long-term capital appreciation by investing in listed and unlisted companies mainly in Hong Kong and the PRC.

As at the Latest Practicable Date, the Offeror is held by Harvest Rise Investments Limited as to approximately 29.82%, which is a private company wholly and beneficially owned by China Trends Holdings Limited ("China Trends"), a public company incorporated in the Cayman Islands (the shares of which were formerly listed on GEM of the Stock Exchange (stock code: 8171)), which is in turn indirectly held by China Technology Education Trust Association (the "Trust Association") as to approximately 29.45%, being the single largest shareholder of China Trends. The remaining shareholding interest in China Trends is held by independent third parties of the Offeror. The Trust Association is a society registered under the provisions of section 5A(1) of the Societies Ordinance (Chapter 151 of the Laws of Hong Kong) in 2005, which is a charitable society providing charity and financial aid to technology education and employment in Hong Kong and Mainland China.

The Offeror and the parties acting in concert with it held 226,000,000 Shares, representing approximately 16.66% of the Offeree Company's issued share capital, as at the Latest Practicable Date.

REASONS FOR THE PARTIAL OFFER

Reason(s) for the Offeror to acquire the Offer Shares

The Offeror is not satisfied with the progress the Offeree Company's management has made to resume the trading of the Shares and to follow up on (a) the resumption guidance issued by the Stock Exchange as set out in the Offeree Company's announcement dated 16 January 2025 (the "Resumption Guidance"), (b) the timely publication of the financial results of the Offeree Company required under the Listing Rules, (c) the investigation of Ms. Qin Jiali and Mr. Zhao Zhenzhong, both being the executive Directors and the authorised representatives of certain operating subsidiaries of the Offeree Group in the PRC, who were alleged to have entered into unauthorised or unusual transactions with certain companies established in the PRC and to have failed to provide sufficient written documentary evidence to support the revenue generated by these operating subsidiaries during the six months ended 30 September 2024, and (d) any remedial and/or rectification actions required. Please refer to the Offeree Company's announcements dated 29 November 2024, 12 December 2024, 7 January 2025, 16 January 2025, 28 January 2025 and 28 February 2025 for these various issues (collectively, the "Governance Issues").

In addition, the Offeror is also not satisfied with (i) the fact that the two former Directors (namely, Mr. Xiang Xin and Ms. Chen Xinqiong) nominated by the Offeror in connection with the Share Subscription were removed as Directors with effect from 11 March 2025, subsequent to which the Offeror has no representative on the board of the Offeree Company up to the Latest Practicable Date. The removal of the aforementioned Directors has seriously affected the Offeror's management rights over the Offeree Company as an investor; and (ii) Mr. Guo Wei's performance as a Director, whose directorship was previously suspended as he has (a) allegedly neglected to carry out his duties as a Director to accept full responsibility for the accuracy of information contained in the Previous Response Document pursuant to Rule 9.3 of the Takeovers Code; and (b) allegedly failed to be in contact with the management of the Offeree Company since 21 February 2025 for no apparent reason despite the repeated and consistent attempts by the Offeree Company, details of which are set out in the Offeree Company's announcement dated 5 March 2025. The Offeror also notes that at the extraordinary general meeting of the Offeree Company held on 25 April 2025, the ordinary resolution proposed thereat to remove Mr. Guo Wei as a Director with immediate effect was voted down by the Shareholders based on the poll results announcement of the Offeree Company dated 25 April 2025 (collectively, the "Directorship Issues" and together with the "Governance Issues", the "Issues").

As an investment company, the Offeror has been actively seeking suitable investments to be made in listed and unlisted companies which are of high quality, so that the Offeror could strive for medium to long term gains from capital appreciation in the course of securitization of corporate assets invested.

The Offeror is now particularly concerned with its investment in the Offeree Company which has greatly impaired by the Issues. Yet, pursuant to Rules 21.04(3)(a) and 21.12(5) of the Listing Rules, the Offeror is not allowed to take up a controlling stake in another listed company. The Offeror therefore could not address and rectify the Issues by taking up a controlling stake in the Offeree Company nor is there an apparent open market to dispose of its investment in the Offeree Company.

As a result, the Offeror sees it appropriate to increase its stake in the Offeree Company short of becoming its controlling shareholder, in order to exert further pressure and influence on the Offeree Company and its management to address and rectify the Issues to the Offeror's satisfaction. In particular, upon completion of the Partial Offer, the Offeror will be able to exercise its veto rights in respect of any special resolution(s) requiring a majority of not less than three-fourths of votes cast by the Shareholders at the general meeting of the Offeree Company pursuant to the amended and restated articles of association of the Offeree Company or the laws of the Cayman Islands. As such, the Offeror considers that the foregoing are necessary steps in safeguarding its investment in the Offeree Company and provide negotiation leverage in exerting further pressure and influence on the Offeree Company.

In addition, the Partial Offer may also provide the opportunity for the Offeror to lower its average investment cost in the Offeree Company. Based on the price per Share under the Share Subscription of HK\$0.123, the Offer Price of HK\$0.056 per Offer Share and assuming full valid acceptances of the Partial Offer, the Offeror's average investment cost in the Offeree Company would be reduced to approximately HK\$0.093 per Share, which represents a discount of approximately 14.7% to the closing price of HK\$0.109 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately 17.0% to the adjusted unaudited consolidated net asset value attributable to the Shareholders of approximately HK\$0.112 per Share, calculated based on the audited consolidated net asset value attributable to the Shareholders of approximately HK\$124.1 million as at 31 March 2024 plus net proceeds of HK\$27,700,000 from the Share Subscription and 1,356,171,754 Shares in issue.

The Offeror has made claims against the Offeree Company in relation to certain representations made by the Offeree Company under the Share Subscription, which claims if successful would diminish the value of the price per Share (HK\$0.123 per Share, being the price per Share under the Share Subscription) to a level closer to the Offer Price. The Offeror has reasonable grounds to believe that the Offeree Company has certain governance deficiencies (the "Undisclosed Matters"), which the Offeree Company did not make known to the Offeror at the time of the Share Subscription and which, if so made known, would have reduced the value of the Share as paid for by the Offeror by at least 50%.

The Offeror, in assessing the value of the Offer Price in the absence of readily available benchmark market prices for the Shares, has taken into account (a) the closing price of HK\$0.109 per Share on the Last Trading Day, (b) the net asset value per Share of the Offeree Company as at 31 March 2024, (c) the net proceeds of approximately HK\$28 million raised by the Offeree Company under the Share Subscription, (d) HK\$54 million which the Offeree Company announced on 22 November 2024 as potential loss suffered by the Offeree Company, (e) the general expectation that an offer should not be substantially below the market price of the shares in the offeree company under the Takeovers Code (i.e. a more than 50% discount to the last trading price), (f) an assumption that there being no other adverse developments about the Offeree Company since the Share Subscription save for the announcement of the Offeree Company in item (d) above, and (g) the residual value and synergies of the underlying business of the Offeree Company as explained in the paragraph below.

To further account for the facts that there is no recent trading price as a benchmark and there is no certainty as to whether the Shares will be delisted, the Offeror has considered the latest ascertainable net asset value per Share of the Offeree Company, i.e. being that as at 31 March 2024 (i.e. item (b) above), while taking into account the net proceeds taken in by the Offeree Company as mentioned in item (c) above and deducting the loss which the Offeree Company itself asserted as mentioned in (d) above as possible value. The Offeror then considers the mid-point between (i) this possible value and (ii) the closing price as mentioned in item (a) above, which results in a reference price of HK\$0.064 per Share. For the purpose of arriving at the mid-point price of HK\$0.064, the Offeror has taken into account (i) the closing price of HK\$0.109 per Share on the Last Trading Day and (ii) the net asset value per Share which is calculated based on (A) net asset value of the Offeree Company approximately HK\$52 million as at 31 March 2024, (B) the net proceeds of approximately HK\$28 million raised by the Offeree Company under the Share Subscription, (C) potential loss of HK\$54 million as announced by the Offeree Company, and (D) the total outstanding Shares of 1,356,171,754 as at the Latest Practicable Date. The Offeror is of the view that the current Offer Price, being a price below the said mid-point price but above the general expectation of it not being substantially below the market price referencing the closing price of the Offeree Company on the Last Trading Day (i.e. item (a) above), has reasonably taken into account all relevant factors known to the Offeror in assessing the value of the Offer Price. For the reasons stated above, the directors of the Offeror are of the view that the Offer Price is fair and reasonable and in the interests of the Offeror and its shareholders as a whole.

The Offeror acknowledges that in the absence of the latest financial information of the Offeree Company and because of the various Issues, it is very difficult to stipulate an assessment matrix by which the Offer Price can be appraised but the directors of the Offeror believe that the Offer Price represents a genuine and best effort estimate of a discount to the price per Share which the Offeror has paid at the Share Subscription, after taking into account the Issues and the Undisclosed Matters. The directors of the Offeror also believe that pursuing the Partial Offer, at this juncture, is a (if not the only) practical measure to gain more influence by the Offeror in how the Offeree Company may conduct its affairs and governance, which in turn will allow a chance for the Issues and Undisclosed Matters to be properly addressed and resolved. The directors of the Offeror are of the view that if the Issues and the Undisclosed Matters can be properly addressed and resolved, there remains residual value in the Shares and what is needed is a chance for the Issues and Undisclosed Matters to be properly addressed and resolved. In addition, the directors of the Offeror consider that the hotel-related resources held by the Offeree Company are of such strategic importance that its stake in the Offeree Company will not become worthless in the event that the Shares are delisted. According to the annual report published

by the Offeree Company for the year ended 31 March 2024, the Offeree Company has established strengths in nationwide supply chain resources, possessing online and offline sales channels across hotels in Mainland China, advertising and marketing capabilities, brand promotion capabilities, among other strengths. In light of the foregoing, the directors of the Offeror believe that it is commercially beneficial for the Offeror to increase its stake in the Offeree Company via the Partial Offer, and such commercial value is expected to remain intact despite delisting of the Shares. On these bases, the directors of the Offeror believe the acquisition of further shares in the Offeree Company by way of the Partial Offer (including the Offer Price) even in the event that the Shares are delisted, are fair and reasonable and in the interest of the Offeror and its shareholders as a whole.

The Offeror has expressed its concerns over the Offeree Company's affairs and governance and has, via its legal advisors, issue requests to the Offeree Company, which included recommending independent investigation into what the Offeror suspects were unauthorized and/or suspicious transactions and suspend the duties of the relevant Directors pending the investigation into the propriety of those transactions. In response, the Offeree Company issued a holding reply to the Offeror to the effect that it will continue to welcome constructive dialogue with all shareholders. Such effort is an ongoing process and the proposal to make the Partial Offer is part and parcel to the Offeror's genuine endeavour to address the Issues with and exert pressure on the management of the Offeree Company. The Offeror expects that by becoming the single largest shareholder of the Offeree Company, it will be in a better position to add credence to any proposed action made to the Offeree Company with the view to addressing and resolving the Issues and the Undisclosed Matters. There is no concrete plan to nominate a Director but this is not particularly ruled out as an option amongst many other options (e.g. proposals to remove incumbent Directors, to engage further consultants or intermediaries to address the Resumption Guidance etc.), and would welcome discussion with the incumbent Directors and Shareholders. The Offeror will continue to communicate with Directors and make constructive recommendations. For the various reasons explained above, the Offeror believes that the Directors will take recommendations from a large shareholder (with added weight of stake as a successful Partial Offer could return) more seriously than they currently are.

By offering a partial exit to other Shareholders at a price which the Offeror sees as the current fair value of the Shares, the Offeror hopes to be able to increase its stake in the Offeree Company as intended above.

In light of the above, the board of directors of the Offeror considers that the terms of the Partial Offer are fair and reasonable and in the interests of the Offeror and its shareholders as a whole.

Save for the dissatisfaction and the Issues raised above, the Offeror has no intention to carry out any major changes to the business of the Offeree Company (including any redeployment of the fixed assets of the Offeree Company), or to the continued employment of the employees of the Offeree Group.

Benefits of the Partial Offer to Qualifying Shareholders

Against the backdrop as stated in this section above, the Offeror is of the view that the Partial Offer is beneficial to Qualifying Shareholders given that (i) the Partial Offer would offer an opportunity to Qualifying Shareholders who wish to realise all or part of their investment amid the Trading Suspension. Qualifying Shareholders should note that when the Trading Suspension continues to take place, it is impossible for them to dispose of their investment in the open market; and (ii) the Partial Offer, once the Condition to the Partial Offer has been satisfied, shall be unconditional in all respects.

PUBLIC FLOAT OF THE OFFEREE COMPANY

As at the Latest Practicable Date, the Offeree Company has a public float of approximately 68.47% of the Shares in issue. Assuming (i) full acceptance of the Partial Offer by the Qualifying Shareholders; and (ii) that there are no changes to the issued share capital of the Offeree Company between the Latest Practicable Date and up to the Final Closing Date, the Offeree Company will have a public float in excess of 25% of the Shares in issue immediately following the close of the Partial Offer. Accordingly, the number of Shares in public hands will continue to meet the 25% minimum public float requirement under Rule 8.08 of the Listing Rules.

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

- a false market exists or may exist in the trading of the Shares; or

- that there are insufficient Shares in public hands to maintain an orderly market;

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

The Offeror intends the Offeree Company to remain listed on the Stock Exchange. The directors of the Offeror and the new directors to be appointed to the Board (if any) will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares.

ACCEPTANCE AND SETTLEMENT OF THE PARTIAL OFFER

Your attention is drawn to the details regarding the procedures for acceptance and settlement of the Partial Offer as set out in Appendix I to this Offer Document and the accompanying Form of Acceptance.

NO COMPULSORY ACQUISITION

The Offeror will not have the power of compulsory acquisition of any Offer Shares outstanding and not acquired under the Partial Offer after the close of the Partial Offer.

MAJOR TRANSACTION FOR THE OFFEROR

As the Share Subscription and the Partial Offer are being conducted within a 12-month period, pursuant to Rule 14.22 of the Listing Rules, the two transactions should be aggregated for the purpose of the calculation of relevant size tests.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Partial Offer is more than 25% but less than 100%, the Partial Offer (as aggregated with the Share Subscription) constitutes a major transaction of the Offeror under Chapter 14 of the Listing Rules and are subject to announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules. All the aforesaid requirements under the Listing Rules have been complied with.

CONTINUED SUSPENSION OF TRADING

At the request of the Offeree Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on Monday, 2 December 2024 and will remain suspended until further notice.

Warning: Trading in the Shares on the Stock Exchange has been suspended since 2 December 2024. Shareholders and potential investors of the Offeree Company are reminded that the publication of this Offer Document should not be viewed as the Stock Exchange being satisfied that the Offeree Company has fulfilled any Resumption Guidance.

GENERAL

All documents and remittances will be sent to the Shareholders by ordinary post at their own risk. These documents and remittances will be sent to them at their respective addresses as they appear in the register of members, or, in case of joint holders to the Shareholder whose name appears first in the said register of members. None of the Offeror, parties acting in concert with it, Mango Financial and their respective ultimate beneficial owners, directors, advisers, agents or associates or any other person involved in the Partial Offer will be responsible for any loss or delay in transmission of such documents and remittances or any other liabilities that may arise as a result thereof.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information regarding the Partial Offer set out in the appendices to this Offer Document and the accompanying Form of Acceptance, which form part of this Offer Document.

Yours faithfully,
For and on behalf of
Mango Financial Limited



Jason Chen
Director