
THIS COMPOSITE DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of the Offer, 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 all your shares in Wuxi Life International Holdings Group Limited, you should at once hand this Composite Document and the accompanying Form of Acceptance to the purchaser or the transferee(s) or the licensed securities dealer or registered institution in securities or other agent through whom the sale was effected for transmission to the purchaser(s) or the transferee(s).

This Composite Document should be read in conjunction with the accompanying Form of Acceptance, the contents of which form part of the terms of the Offer contained herein.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this Composite Document and the Form of Acceptance, make no representation as to its 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 Form of Acceptance.



Liu Guanzhou

Wuxi Life International Holdings Group Limited

悟喜生活國際控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8148)

**COMPOSITE OFFER AND RESPONSE DOCUMENT
RELATING TO
MANDATORY UNCONDITIONAL CASH OFFER BY
EMPEROR CORPORATE FINANCE LIMITED
ON BEHALF OF THE OFFEROR TO ACQUIRE ALL ISSUED SHARES
OF WUXI LIFE INTERNATIONAL HOLDINGS GROUP LIMITED
(OTHER THAN THOSE SHARES ALREADY OWNED AND/OR AGREED
TO BE ACQUIRED BY THE OFFEROR AND PARTIES ACTING
IN CONCERT WITH HIM)**

Financial Adviser to The Offeror



英皇企業融資
Emperor Corporate Finance

Independent Financial Adviser to the Independent Board Committee



Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this Composite Document.

A letter from Emperor Corporate Finance containing, among other things, details of the terms of the Offer is set out on pages 1 to 9 of this Composite Document. A letter from the Board is set out on pages 10 to 16 of this Composite Document. A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders in relation to the Offer is set out on pages IBC-1 to IBC-2 of this Composite Document. A letter from Lego Corporate Finance, the Independent Financial Adviser, containing its advice on the Offer to the Independent Board Committee is set out on pages IFA-1 to IFA-22 of this Composite Document.

The procedures for acceptance and settlement of the Offer and other related information are set out in Appendix I to this Composite Document and in the accompanying Form of Acceptance. Acceptances of the Offer should be received by the Registrar (in respect of the Offer) as soon as possible and in any event no later than 4:00 p.m. on Wednesday, 25 September 2024 or such later time and/or date as the Offeror may determine and announce with the consent of the Executive, in accordance with the Takeovers Code.

Persons including, without limitation, custodians, nominees and trustees, who would, or otherwise intend to, forward this Composite Document and/or the Form of Acceptance to any jurisdiction outside Hong Kong, should read the details in this regard which are contained in the sub-paragraph headed "Overseas Shareholders" under the paragraph headed "THE OFFER" in the "Letter from Emperor Corporate Finance" on page 6 of this Composite Document and the paragraph headed "OVERSEAS SHAREHOLDERS" in Appendix I to this Composite Document before taking any action. It is the responsibility of each Overseas Independent Shareholder wishing to accept the Offer to satisfy himself, herself or itself as to the full observance of the laws and regulations of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents and any registration or filing which may be required and the compliance with all necessary formalities, regulatory and/or legal requirements. Overseas Shareholders are advised to seek professional advice on deciding whether or not to accept the Offer. The Composite Document will remain on the websites of the Stock Exchange at <https://www.hkexnews.hk> and the Company at www.wuxilife.com.hk as long as the Offer remains open.

4 September 2024

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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EXPECTED TIMETABLE

The expected timetable set out below is indicative only and may be subject to change. Further announcement(s) will be made jointly by the Offeror and the Company in the event of any changes to the timetable as and when appropriate.

Events	Time & Date
	2024
Despatch date of this Composite Document and the accompanying Form of Acceptance and commencement date of the Offer (<i>Note 1</i>)	Wednesday, 4 September
Closing Date (<i>Note 1</i>)	Wednesday, 25 September
Latest time and date for acceptance of the Offer (<i>Notes 2 and 4</i>)	4:00 p.m. on Wednesday, 25 September
Announcement of the results of the Offer (<i>Note 2</i>)	No later than 7:00 p.m. on Wednesday, 25 September
Latest date of posting of remittances in respect of valid acceptances received under the Offer (<i>Notes 3 and 4</i>)	Monday, 7 October

Notes:

1. The Offer, which is unconditional in all respects, is made on the date of posting of this Composite Document, and is capable of acceptance on and from that date until 4:00 p.m. on the Closing Date. Acceptances of the Offer shall be irrevocable and shall not be capable of being withdrawn, except in the circumstances set out in the section headed "RIGHT OF WITHDRAWAL" in Appendix I to this Composite Document.
2. In accordance with the Takeovers Code, the Offer must initially be open for acceptance for at least 21 days following the date on which this Composite Document is posted. The latest time and date for acceptance of the Offer are 4:00 p.m. on Wednesday, 25 September 2024 unless the Offeror revises or extends the Offer in accordance with the Takeovers Code. An announcement will be jointly issued by the Offeror and the Company on the website of the Stock Exchange by 7: 00 p.m. on Wednesday, 25 September 2024, stating whether the Offer have been extended, revised or expired. In the event that the Offeror decides to extend the Offer and the announcement does not specify the next closing date, at least 14 days' notice by way of an announcement will be given before the Offer is closed to those Independent Shareholders who have not accepted the Offer.
3. Remittances in respect of the cash consideration (after deducting the seller's ad valorem stamp duty in respect of the Offer) payable for the Offer Shares tendered under the Offer will be made to the Independent Shareholders accepting the Offer by ordinary post at his/her/its own risk as soon as possible, but in any event within 7 Business Days following the date of the receipt of duly completed Form of Acceptance together with all the valid requisite documents by the Registrar from the Independent Shareholders accepting the Offer in accordance with the Takeovers Code.

EXPECTED TIMETABLE

4. If there is a tropical cyclone warning signal number 8 or above, or “extreme conditions” or a “black” rainstorm warning signal announced by the Government of Hong Kong:
- (a) in force in Hong Kong at any local time before 12:00 noon but no longer in force at or after 12:00 noon on the latest date for acceptance of the Offer under Rule 15.1 of the Takeovers Code, any publication date of a closing announcement under Rule 19.1 of the Takeovers Code or the latest date for posting of remittances for the amounts due under the Offer in respect of valid acceptances, these dates, as the case may be, will remain on the same Business Day; or
 - (b) in force in Hong Kong at any local time at 12:00 noon and/or thereafter on the latest date for acceptance of the Offer under Rule 15.1 of the Takeovers Code, any publication date of a closing announcement under Rule 19.1 of the Takeovers Code or the latest date for posting of remittances for the amounts due under the Offer in respect of valid acceptances, these dates, as the case may be, will rescheduled to the following Business Day which does not have any of those warnings or condition in force in Hong Kong at any local time at 12:00 noon and/or thereafter or such other day as the Executive may approve in accordance with the Takeovers Code.

Save as mentioned above, if the latest time for the acceptance of the Offer 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 announcement(s) of any change in the expected timetable as soon as possible.

All times and dates in this Composite Document and the accompanying Form of Acceptance shall refer to Hong Kong times and dates.

NOTICE TO INDEPENDENT SHAREHOLDERS OUTSIDE HONG KONG

The making of the Offer to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or affected by the laws and regulations of the relevant jurisdictions. Overseas Shareholders who are residents, citizens or nationals of jurisdictions outside Hong Kong should keep themselves informed about and observe, at their own responsibility, any applicable legal and regulatory requirements. It is the responsibility of any such person who wishes to accept the Offer to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant overseas jurisdiction 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 and regulatory requirements and the payment of any transfer or other taxes due in respect of such overseas jurisdiction. The Offeror and parties acting in concert with him, the Company, Emperor Corporate Finance, Emperor Securities, Lego Corporate Finance, the Registrar, their respective ultimate beneficial owners, directors, officers, agents and associates and any other person involved in the Offer shall be entitled to be fully indemnified and held harmless by such person for any taxes as such person may be required to pay. Please see the paragraph headed “Overseas Shareholders” under the section headed “The Offer” in the “Letter from Emperor Corporate Finance” in this Composite Document.

DEFINITIONS

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

“acting in concert”	has the same meaning as ascribed to it under the Takeovers Code
“associate(s)”	has the same meaning as ascribed to it under the Takeovers Code
“Board”	the board of Directors
“Business Day(s)”	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 HKSCC
“CCASS Internet System”	the internet system established by CCASS and operated by HKSCC
“CCASS Phone System”	the phone system established by CCASS and operated by HKSCC
“Closing Date”	Wednesday, 25 September 2024, the closing date of the Offer, which is 21 days after the date of which this Composite Document is posted, or if the offer is extended, any subsequent closing date of the offer as extended and announced by the Offeror and the Company with the consent of the Executive in accordance with the Takeovers Code
“Company”	Wuxi Life International Holdings Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM of the Stock Exchange
“Composite Document”	this composite offer and response document issued jointly by the Offeror and the Company to all the Shareholders in accordance with the Takeovers Code containing, amongst other things, the detailed terms of the Offer
“connected person(s)”	having the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company

DEFINITIONS

“Emperor Corporate Finance”	Emperor Corporate Finance Limited, a corporation licensed under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities, and the financial adviser to the Offeror in respect of the Offer
“Emperor Securities”	Emperor Securities Limited, a corporation licensed under the SFO to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities
“Encumbrances”	a mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third-party right or interest, other encumbrance or security interest of any kind, or another type of preferential arrangement (including, without limitation, a title transfer or retention arrangement) having similar effect
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of its delegate
“Facility”	a loan facility of up to HK\$14.7 million granted by Emperor Securities to the Offeror
“Facility Agreement”	the facility agreement dated 9 August 2024 entered into between Emperor Securities as lender and the Offeror as borrower in respect of the facility in the amount of up to HK\$14.7 million
“Final Allocation”	the allocation of Rights Shares allotted to HKSCC Nominees Limited by HKSCC amongst CCASS participants who validly applied for excess Rights Shares
“Form of Acceptance”	the form of acceptance and transfer of Shares in respect of the Offer
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	the Hong Kong Securities Clearing Company Limited

DEFINITIONS

“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent committee of the Board, comprising Ms. Li Hui Ling, Mr. Fu Yan Ming and Ms. Lam Yuen Man Maria, established for the purpose of making a recommendation to the Independent Shareholders as to whether the Offer is fair and reasonable and whether to accept the Offer
“Independent Financial Adviser” or “Lego Corporate Finance”	Lego Corporate Finance Limited, a licensed corporation permitted to carry out Type 6 (advising on corporate finance) regulated activities under the SFO, the independent financial adviser to the Independent Board Committee in respect of the Offer
“Independent Shareholder(s)”	Shareholders other than the Offeror and parties acting in concert with him
“Independent Third Party(ies)”	person(s) or company(s) who/which is/are not connected with the directors, chief executive or substantial shareholders (as defined under the GEM Listing Rules) of the Company or any of its subsidiaries, or any of their respective associates
“Joint Announcement”	the announcement jointly issued by the Offeror and the Company dated 14 August 2024, in relation to, among others, the Offer
“Last Trading Day”	9 August 2024, being the last trading day of the Shares on the Stock Exchange before the publication of the Joint Announcement
“Latest Practicable Date”	2 September 2024, being the latest practicable date prior to the printing of this Composite Document for ascertaining certain information contained in this Composite Document
“Offer”	the mandatory unconditional cash offer to be made by Emperor Corporate Finance for and on behalf of the Offeror to acquire all of the Offer Shares at the Offer Price in accordance with the Takeovers Code

DEFINITIONS

“Offer Period”	the period commencing from 14 August 2024, being the date of the Joint Announcement and ending on the date of the close of the Offer
“Offer Price”	HK\$0.12 per Offer Share payable by the Offeror to an Independent Shareholder accepting the Offer
“Offer Share(s)”	all issued Share(s) (other than those already owned and/or to be acquired by the Offeror and the parties acting in concert with him)
“Offeror”	Mr. Liu Guanzhou
“Overseas Shareholder(s)”	the Shareholder(s) whose names appear on the register of members of the Company with registered address(es) outside Hong Kong
“Registrar”	the branch share registrar and transfer office of the Company in Hong Kong, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
“Relevant Period”	the period commencing from 14 February 2024, being the date falling six months preceding the commencement of the Offer Period, up to and including the Latest Practicable Date
“Rights Issue”	the issue by way of rights on the basis of two (2) Rights Share for every one (1) Shares in issue on the record date (i.e. 23 July 2024) at the Subscription Price, details of which were set out in the prospectus of the Company dated 24 July 2024
“Rights Shares”	254,528,000 Shares issued under the Rights Issue
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) with par value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.12 per Rights Share
“subsidiary(ies)”	has the meaning ascribed to it under the GEM Listing Rules
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“%”	per cent

LETTER FROM EMPEROR CORPORATE FINANCE



英皇企業融資
Emperor Corporate Finance

4 September 2024

To the Independent Shareholders

Dear Sir/Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY
EMPEROR CORPORATE FINANCE LIMITED
ON BEHALF OF THE OFFEROR TO ACQUIRE ALL ISSUED SHARES
OF WUXI LIFE INTERNATIONAL HOLDINGS GROUP LIMITED
(OTHER THAN THOSE SHARES ALREADY OWNED AND/OR AGREED
TO BE ACQUIRED BY THE OFFEROR AND PARTIES ACTING
IN CONCERT WITH HIM)**

INTRODUCTION

Reference is made to the Joint Announcement in relation to, among other things, the Offer.

Immediately before the completion of the Rights Issue, the Offeror and parties acting in concert with him owned 37,000,000 Shares, representing approximately 29.07% of the total issued share capital of the Company prior to the issue of 254,528,000 Rights Shares under the Rights Issue.

The Offeror made an application to subscribe for a total of 244,900,000 Rights Shares at the Subscription Price under the Rights Issue, comprising (i) 74,000,000 Rights Shares by provisional allotments; (ii) 60,900,000 Rights Shares as transferee of nil-paid Rights Shares; and (iii) 110,000,000 Rights Shares by excess application. Pursuant to the results of the Rights Issue, on 15 August 2024, a total of 232,458,150 Rights Shares (after the Final Allocation) were issued to the Offeror, comprising (i) 74,000,000 Rights Shares from provisional allotments; (ii) 60,900,000 Rights Shares as transferee of nil-paid Rights Shares; and (iii) 97,558,150 Rights Shares (after the Final Allocation) from excess application.

LETTER FROM EMPEROR CORPORATE FINANCE

Immediately following the completion of the Rights Issue (after the Final Allocation) and as at the Latest Practicable Date, the Offeror and parties acting in concert with him are interested in an aggregate of 269,458,150 Shares (comprising 37,000,000 Shares held by the Offeror and 232,458,150 Rights Shares (after the Final Allocation) issued to the Offeror upon completion of the Rights Issue), representing approximately 70.58% of the total issued shares capital of the Company as enlarged by the issue of 254,528,000 Rights Shares. Accordingly, the Offeror is required to make a mandatory unconditional cash offer pursuant to Rule 26.1 of the Takeovers Code for all the issued Offer Shares.

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

Independent Shareholders are strongly advised to carefully consider the information contained in the “Letter from the Board”, the “Letter from the Independent Board Committee”, the “Letter from the Independent Financial Adviser” and the appendices as set out in this Composite Document and to consult their professional advisers before reaching a decision as to whether or not to accept the Offer.

THE OFFER

Emperor Corporate Finance, for and on behalf of the Offeror and in compliance with the Takeovers Code, is making the Offer on the following basis:

For every Offer Share HK\$0.12 in cash

The Offer Price of HK\$0.12 per Offer Share is equivalent to the Subscription Price of HK\$0.12 per Rights Share paid by the Offeror under the Rights Issue.

The Offer is extended to all Independent Shareholders in accordance with the Takeovers Code. The Offer Shares to be acquired under the Offer shall be fully paid and free from all Encumbrances and together with all rights attaching to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date on which the Offer is made, that is, the date of despatch of the Composite Document.

As at the Latest Practicable Date, the Company does not have any declared and unpaid dividend and does not have any intention to make, declare or pay any future dividend or make other distribution before the close of the Offer.

The Offer is unconditional in all respects and is not conditional upon acceptances being received in respect of a minimal number of Shares or any other conditions.

LETTER FROM EMPEROR CORPORATE FINANCE

Comparison of value

The Offer Price of HK\$0.12 per Offer Share represents:

- (a) a discount of approximately 13.04% to the closing price of HK\$0.138 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 16.67% to the average closing price of approximately HK\$0.144 per Share as quoted on the Stock Exchange over the five (5) consecutive trading days immediately prior to and including the Last Trading Day;
- (c) a discount of approximately 13.04% to the average closing price of approximately HK\$0.138 per Share as quoted on the Stock Exchange over the ten (10) consecutive trading days immediately prior to and including the Last Trading Day;
- (d) a discount of approximately 23.57% to the average closing price of approximately HK\$0.157 per Share as quoted on the Stock Exchange over the thirty (30) consecutive trading days immediately prior to and including the Last Trading Day;
- (e) a discount of approximately 28.14% to the average closing price of approximately HK\$0.167 per Share as quoted on the Stock Exchange over the sixty (60) consecutive trading days immediately prior to and including the Last Trading Day;
- (f) a discount of approximately 36.17% to the closing price of HK\$0.188 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (g) a premium of approximately HK\$0.132 over the net liabilities of the Company of approximately HK\$0.012 per Share based on the audited net liabilities of the Company of approximately HK\$4,561,000 as at 31 December 2023 as disclosed in the annual report of the Company for the year ended 31 December 2023 and 381,792,000 Shares as at the Latest Practicable Date;
- (h) a premium of approximately 1,100% over the unaudited consolidated net asset value attributable to Shareholders of approximately HK\$0.01 per Share (based on the unaudited consolidated net asset value of the Company attributable to Shareholders of approximately HK\$3.76 million as at 30 June 2024 and 381,792,000 Shares in issue as enlarged by the Rights Issue as at the Latest Practicable Date); and
- (i) a premium of approximately 41.18% over the unaudited consolidated net asset value attributable to Shareholders of approximately HK\$0.085 per Share (based on the unaudited consolidated net asset value of the Company attributable to Shareholders of approximately HK\$3.76 million as at 30 June 2024 as adjusted by net proceeds from the Rights Issue of approximately HK\$28.74 million and 381,792,000 Shares in issue as enlarged by the Rights Issue as at the Latest Practicable Date).

LETTER FROM EMPEROR CORPORATE FINANCE

Highest and lowest Share prices

During the Relevant Period:

- (a) the highest closing price of the Shares quoted on the Stock Exchange was HK\$0.225 per Share on 24 June 2024 and 25 June 2024; and
- (b) the lowest closing price of the Shares quoted on the Stock Exchange was HK\$0.122 per Share on 1 August 2024.

Value of the Offer

Excluding 269,458,150 Shares held by the Offeror and parties acting in concert with him after the completion of the Rights Issue and the Final Allocation, the number of Shares subject to the Offer is 112,333,850.

Based on the Offer Price of HK\$0.12 per Offer Share for 112,333,850 Offer Shares, the Offer is valued at HK\$13,480,062.

Confirmation of financial resources

The Offeror intends to finance the Offer by the Facility granted by Emperor Securities to the Offeror pursuant to the Facility Agreement. Emperor Corporate Finance has been appointed as the financial adviser to the Offeror in respect of the Offer and is satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer.

Pursuant to the arrangement of the Facility, amongst others, the Offeror has pledged his shareholding of 269,458,150 Shares held as at the Latest Practicable Date and the Shares to be acquired by the Offeror under the Offer (if any) in favour of Emperor Securities, and such arrangement will not result in a change of the voting rights of the Company before the enforcement of the relevant charge. At as the Latest Practicable Date, Emperor Securities and the Offeror are not aware of any circumstances which may lead to enforcement of the relevant charge. The collateralised Shares shall be released to the Offeror immediately upon full repayment of all the outstanding amounts of the Facility and the interest thereon.

The Offeror does not intend that the payment of interest on, repayment of or provision of security for any liability (contingent or otherwise) under the Facility will depend to any significant extent on the business of the Company.

LETTER FROM EMPEROR CORPORATE FINANCE

Effect of accepting the Offer

By validly accepting the Offer, the accepting Independent Shareholders will sell their tendered Offer Shares to the Offeror which are fully paid-up and free from all Encumbrances, together with all rights attached thereto on or after the date on which the Offer is made, being the date of despatch of the Composite Document, including the right to receive in full all dividends and other distributions, if any, declared, made or paid, the record date of which falls on or after the date of despatch of the Composite Document.

As at the Latest Practicable Date, the Company (a) has no dividend or other distributions declared but not paid; and (b) will not declare and pay any dividend or other distributions before the close or lapse of the Offer.

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

Hong Kong stamp duty

Seller's Hong Kong ad valorem stamp duty arising in connection with acceptances of the Offer will be payable by the relevant Independent Shareholders at a rate of 0.1% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher. The amount of such duty will be deducted from the cash amount payable by the Offeror to the relevant Independent Shareholders accepting the Offer. The Offeror will arrange for payment of the seller's Hong Kong ad valorem stamp duty on behalf of the relevant Independent Shareholders accepting the Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Offer and transfer of the Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

Taxation advice

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 Offer. None of the Offeror, parties acting in concert with him, the Company, Emperor Corporate Finance, Emperor Securities, and (as the case may be) their respective ultimate beneficial owners, directors, officers, agents, associates, professional advisers or any other person involved in the Offer accepts any responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

LETTER FROM EMPEROR CORPORATE FINANCE

Payment

Payment in cash in respect of acceptances of the Offer (after deducting the accepting Independent Shareholders' share of stamp duty) will be made as soon as possible but in any event no later than seven (7) Business Days of the date of receipt of a duly completed acceptance. Relevant documents evidencing title must be received by or on behalf of the Offeror to render such acceptance of the Offer complete and valid pursuant to the Takeovers Code. No fractions of a cent will be payable and the amount of the consideration payable to an Independent Shareholder who accepts the Offer will be rounded up to the nearest cent.

Overseas Shareholders

The Offeror intends to make the Offer available to all the Independent Shareholders, including the Overseas Shareholders. However, the Offer is in respect of securities of a company incorporated in the Cayman Islands and is subject to the procedural and disclosure requirements of Hong Kong which may be different from other jurisdictions. Overseas Shareholders who wish to participate in the Offer but with a registered address outside Hong Kong are subject to, and may be limited by, the laws and regulations of their respective jurisdictions in connection with their participation in the Offer. Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe relevant applicable legal or regulatory requirements and, where necessary, seek legal advice.

It is the responsibility of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such accepting Overseas Shareholder in respect of such jurisdictions).

Any acceptance by any Independent Shareholders and beneficial owners of the Offer Shares will be deemed to constitute a representation and warranty from such Independent 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.

INFORMATION ON THE GROUP

The Group is principally engaged in (i) developing and marketing of patented server based technology and the provision of communications software platform and software related services; (ii) developing and operating of advertising e-commerce platform “紫紅盒子”, a combination of social media and sales channel which aim to develop an interactive application to foster franchising and brand development, which provides a tailored product recommendations and incentives in the form of advertising rewards or discounts; (iii) sales of a wide spectrum of product categories, mainly including skin care products, agricultural products, gold jewelry, daily necessities, etc., in the platform “紫紅盒子”; and (iv) game publishing, development of mobile game and related intellectual property and platform, mobile applications and data solutions and provision of IT related solutions.

LETTER FROM EMPEROR CORPORATE FINANCE

Your attention is drawn to the details of the information of the Group as set out under the section headed “Information on the Group” in the “Letter from the Board” and in Appendices II and IV to this Composite Document.

INFORMATION ON THE OFFEROR

Mr. Liu Guanzhou (“**Mr. Liu**”), aged 42, has been appointed as an executive Director and chairman of the Board of the Company with effect from 14 April 2023. He has over 13 years of experience in business directory publishing and strategic consultancy, and over 10 years of experience in digital marketing and software business, including rich sales channels and business network in the People’s Republic of China. Mr. Liu is the shareholder and authorised representative of several private companies which are engaging in electromechanical equipment, advertising, investment management and brand operation management. Mr. Liu has been a publisher and strategic consultant. Mr. Liu is mainly responsible for the general management and business development in the Greater China.

INTENTION OF THE OFFEROR IN RELATION TO THE GROUP

It is the intention of the Offeror to continue the existing businesses of the Group and has no intention to put forward any major changes to the businesses of the Group after the close of the Offer. As at the Latest Practicable Date, the Offeror has not entered and does not intend to enter into any agreement, arrangements, understanding (i) to acquire and/or develop any new business nor (ii) to dispose of or downsize the existing businesses and/or material operating assets, of the Group unless appropriate opportunities arise.

The Offeror will, following the close of the Offer, review the operations of the Group from time to time in order to enhance a long-term growth potential for the Group and explore other business or investment opportunities for enhancing its future development and strengthening its revenue base. Subject to the result of the review, the Offeror may explore other business opportunities for the Company and consider whether any asset disposals, asset acquisitions, business rationalisation, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance long-term growth potential of the Company. Should such corporation actions materialize, further announcement(s) will be made in accordance with the GEM Listing Rules.

As at the Latest Practicable Date, the Offeror has no intention to discontinue any employment of the employees of the Group or to dispose of or re-allocate the Group’s assets which are not in the ordinary and usual course of business of the Group.

LETTER FROM EMPEROR CORPORATE FINANCE

PROPOSED CHANGE TO THE BOARD COMPOSITION OF THE COMPANY

As at the Latest Practicable Date, the Board comprises Mr. Liu, Ms. Liu Xingmei, Mr. Choi Pun Lap as executive Directors, Ms. Li Hui Ling as non-executive director, and Mr. Fu Yan Ming and Ms. Lam Yuen Man Maria as independent non-executive Directors.

The Offeror does not have any intention to nominate new Directors to the Board but may do so in the future. If the Offeror in the future wishes to nominate new Directors to the Board it shall be with effect from the earliest time permitted under the Takeovers Code. Further announcement(s) will be made by the Company in compliance with the requirements of the GEM Listing Rules as and when there are changes in the composition of the Board.

MAINTAINING THE LISTING STATUS OF AND SUFFICIENT PUBLIC FLOAT OF THE COMPANY

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

- (a) a false market exists or may exist in the trading of the Shares; or
- (b) 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 Company to remain listed on the Stock Exchange. The Offeror does not intend to avail itself of any powers of compulsory acquisition of any Shares outstanding after the close of the Offer. The Offeror will undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares. The Offeror considers that the appropriate actions to be taken after the close of the Offer shall include placing down of sufficient number of accepted Offer Shares by the Offeror where appropriate. The Offeror and the Company will issue a further announcement as and when necessary in this regard.

THE ACQUISITION

On 2 August 2024, the Offeror acquired 60,900,000 nil-paid Rights Shares at HK\$0.01 each through on-market transactions conducted on the Stock Exchange for an aggregate consideration of HK\$609,000.

PROCEDURES FOR ACCEPTANCES AND SETTLEMENT

Your attention is drawn to “Further terms and procedures for acceptance of the Offer” as set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

LETTER FROM EMPEROR CORPORATE FINANCE

GENERAL

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

All documents and remittances will be sent to the Independent 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, in case of joint holders whose name appear first in the said register of members, unless otherwise specified in the accompanying Form of Acceptance completed, returned and received by the Registrar. None of the Offeror and parties acting in concert with him, Emperor Corporate Finance, the Registrar or any of their respective directors or any other person involved in the 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 set out in the appendices to this Composite Document 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 Group which are set out in this Composite Document and the accompanying Form of Acceptance before deciding whether or not to accept the Offer. You are also recommended to read carefully Appendix I titled “Further Terms and Procedures of Acceptance of the Offer” to this Composite Document and the accompanying Form of Acceptance for further details in respect of the procedures for acceptance of the Offer.

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

Yours faithfully,
For and on behalf of
Emperor Corporate Finance Limited
Mark Chan
Managing Director

LETTER FROM THE BOARD



Wuxi Life International Holdings Group Limited

悟喜生活國際控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8148)

Executive Directors:

Mr. Liu Guanzhou (*Chairman*)
Ms. Liu Xingmei
Mr. Choi Pun Lap

Non-executive Director:

Ms. Li Hui Ling

Independent non-executive Directors:

Mr. Fu Yan Ming
Ms. Lam Yuen Man Maria

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Head office and principal place of
business in Hong Kong:*

Room H, 2/F,
Manson Industrial Building,
8 A Kung Ngam Village Lane,
Shaukeiwan, Hong Kong

4 September 2024

To the Independent Shareholders

Dear Sir/Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY
EMPEROR CORPORATE FINANCE LIMITED
ON BEHALF OF THE OFFEROR TO ACQUIRE ALL ISSUED SHARES
OF WUXI LIFE INTERNATIONAL HOLDINGS GROUP LIMITED
(OTHER THAN THOSE SHARES ALREADY OWNED AND/OR AGREED
TO BE ACQUIRED BY THE OFFEROR AND PARTIES ACTING
IN CONCERT WITH HIM)**

INTRODUCTION

Reference is made to the Joint Announcement, whereby the Offeror announced that Emperor Corporate Finance, for and on behalf of the Offeror, would make a mandatory unconditional cash offer to acquire all of the Offer Shares.

LETTER FROM THE BOARD

Immediately before the completion of the Rights Issue, the Offeror and parties acting in concert with him owned 37,000,000 Shares, representing approximately 29.07% of the total issued share capital of the Company prior to the issue of 254,528,000 Rights Shares under the Rights Issue.

The Offeror made an application to subscribe for a total of 244,900,000 Rights Shares at the Subscription Price under the Rights Issue, comprising (i) 74,000,000 Rights Shares by provisional allotments; (ii) 60,900,000 Rights Shares as transferee of nil-paid Rights Shares; and (iii) 110,000,000 Rights Shares by excess application. Pursuant to the results of the Rights Issue, on 15 August 2024, a total of 232,458,150 Rights Shares (after the Final Allocation) were issued to the Offeror, comprising (i) 74,000,000 Rights Shares from provisional allotments; (ii) 60,900,000 Rights Shares as transferee of nil-paid Rights Shares; and (iii) 97,558,150 Rights Shares (after the Final Allocation) from excess application.

Immediately following the completion of the Rights Issue (after the Final Allocation) and as at the Latest Practicable Date (after the Final Allocation), the Offeror and parties acting in concert with him are interested in an aggregate of 269,458,150 Shares (comprising 37,000,000 Shares held by the Offeror and 232,458,150 Rights Shares (after the Final Allocation) issued to the Offeror upon completion of the Rights Issue), representing approximately 70.58% of the total issued shares capital of the Company as enlarged by the issue of 254,528,000 Rights Shares. Accordingly, the Offeror is required to make a mandatory unconditional cash offer pursuant to Rule 26.1 of the Takeovers Code for all the issued Offer Shares.

This letter forms part of this Composite Document which provides you with, among other things, (i) details of the Offer; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Offer; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee in relation to the Offer; and (iv) information relating to the Group and the Offeror, together with the Form of Acceptance. Unless the context otherwise requires, terms used in these letters shall have the same meanings as those defined in this Composite Document.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising Ms. Li Hui Ling, Mr. Fu Yan Ming and Ms. Lam Yuen Man Maria (being all of the non-executive Director and independent non-executive Directors), has been established to advise the Independent Shareholders in relation to the terms and conditions of the Offer, in particular as to whether the Offer is fair and reasonable and as to acceptance of the Offer. It is considered appropriate for them to be members of the Independent Board Committee in relation to the Offer.

Lego Corporate Finance has been appointed with the approval of the Independent Board Committee as the independent financial adviser to make recommendations to the Independent Board Committee, and the Independent Shareholders in respect of the Offer, and in particular, as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer.

LETTER FROM THE BOARD

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 action in respect of the Offer.

THE OFFER

Principal terms of the Offer

The terms of the Offer as set out in the “Letter from Emperor Corporate Finance” are extracted below. You are recommended to refer to the “Letter from Emperor Corporate Finance” and the Form of Acceptance for further details.

Emperor Corporate Finance, on behalf of the Offeror, is making the Offer on the following terms in accordance with Rule 26.1 of the Takeovers Code:

For every Offer Share HK\$0.12 in cash

The Offer Price of HK\$0.12 per Offer Share is equivalent to the Subscription Price of HK\$0.12 per Rights Share paid by the Offeror under the Rights Issue.

Further details regarding the Offer, including the terms and procedures for acceptance of the Offer are set out in the “Letter from Emperor Corporate Finance” and Appendix I to this Composite Document and the accompanying Form of Acceptance.

INFORMATION ON THE GROUP

The Group is principally engaged in (i) developing and marketing of patented server based technology and the provision of communications software platform and software related services; (ii) developing and operating of advertising e-commerce platform “紫紅盒子”, a combination of social media and sales channel which aim to develop an interactive application to foster franchising and brand development, which provides a tailored product recommendations and incentives in the form of advertising rewards or discounts; (iii) sales of a wide spectrum of product categories, mainly including skin care products, agricultural products, gold jewelry, daily necessities, etc., in the platform “紫紅盒子”; and (iv) game publishing, development of mobile game and related intellectual property and platform, mobile applications and data solutions and provision of IT related solutions.

LETTER FROM THE BOARD

Set out below is a summary of the audited financial information of the Group for each of the two financial years ended 31 December 2022 and 2023 as extracted from the annual report of the Company for the year ended 31 December 2023 and the unaudited financial information of the Group for the six months ended 30 June 2023 and 2024 as extracted from the interim report of the Company for the six months ended 30 June 2024:

	For the year ended		For the six months ended	
	31 December		30 June	
	2023	2022	2024	2023
	(audited)	(audited)	(unaudited)	(unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<i>Continuing operations:</i>				
Revenue	24,493	21,436	36,749	13,331
Profit/(Loss) before taxation	(12,484)	(22,152)	3,035	(1,903)
 <i>Discontinued operations:</i>				
Profit/(Loss) for the year	3,049	76	–	(548)
Profit/(loss) for the year	(9,335)	(21,971)	2,954	(2,451)
Profit/(Loss) for the year attributable to the owners of the Company	(8,542)	(21,869)	2,957	(2,441)
	As at 31 December		As at 30 June	
	2023	2022	2024	2023
	(audited)	(audited)	(unaudited)	(unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Net (liabilities)/assets	(4,561)	4,774	(1,607)	(4,561)

Your attention is drawn to the further details of the information of the Group as set out in Appendices II and IV to this Composite Document.

LETTER FROM THE BOARD

SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the shareholding structure of the Company (i) immediately before completion of the Rights Issue; and (ii) immediately after completion of the Rights Issue and as at the Latest Practicable Date:

	Immediately before completion of the Rights Issue		Immediately after completion of the Rights Issue and as at the Latest Practicable Date	
	<i>No. of Shares</i>	<i>% (Note 2)</i>	<i>No. of Shares</i>	<i>% (Note 2)</i>
Mr. Liu Guanzhou <i>(Note 1)</i>	<u>37,000,000</u>	<u>29.07</u>	<u>269,458,150</u>	<u>70.58</u>
Offeror and parties acting in concert with him	37,000,000	29.07	269,458,150	70.58
Mr. Zhang Dong <i>(Note 3)</i>	14,356,595	11.28	14,356,595	3.76
Other public Shareholders	<u>75,907,405</u>	<u>59.65</u>	<u>97,977,255</u>	<u>25.66</u>
Total	<u><u>127,264,000</u></u>	<u><u>100.00</u></u>	<u><u>381,792,000</u></u>	<u><u>100.00</u></u>

Notes:

1. Mr. Liu Guanzhou is the chairman of the Board and an executive director of the Company.
2. Certain percentages included in the above table have been subject to rounding adjustments.
3. Based on publicly available information, as at the Latest Practicable Date, Mr. Zhang Dong directly held approximately 3.76% of the issued share capital of the Company. Mr. Zhang Dong is an Independent Third Party and the 14,356,595 Shares held by him are regarded as Shares held by public Shareholders.

INFORMATION ON THE OFFEROR

Your attention is drawn to the section headed “Information on the Offeror” in the “Letter from Emperor Corporate Finance” as set out in this Composite Document.

LETTER FROM THE BOARD

INTENTION OF THE OFFEROR AND THE BOARD REGARDING THE GROUP

Your attention is drawn to the section headed “Intention of the Offeror in relation to the Group” in the “Letter from Emperor Corporate Finance” as set out in this Composite Document. The Board is pleased to note that the Offeror intends to continue the existing business of the Group. The Offeror has no intention to discontinue any employment of the employees of the Group or to dispose of or re-allocate the Group’s assets which are not in the ordinary and usual course of business of the Group.

The Board is aware of the Offeror’s intention in relation to the Group and is willing to render co-operation with the Offeror and will continue to act in the best interests of the Group and the Shareholders as a whole.

The Offeror intends to maintain the listing of the Shares on the Stock Exchange after the close of the Offer.

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

- (a) a false market exists or may exist in the trading of the Shares; or
- (b) 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 Company to remain listed on the Stock Exchange. The Offeror does not intend to avail itself of any powers of compulsory acquisition of any Shares outstanding after the close of the Offer. The Offeror will undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares. The Offeror considers that the appropriate actions to be taken after the close of the Offer shall include placing down of sufficient number of accepted Offer Shares by the Offeror where appropriate. The Offeror and the Company will issue a further announcement as and when necessary in this regard.

RECOMMENDATION

Your attention is drawn to the “Letter from the Independent Board Committee” set out on pages IBC-1 to IBC-2 of this Composite Document and the “Letter from the Independent Financial Adviser” set out on pages IFA-1 to IFA-22 of this Composite Document, which contain, among other things, their advice in relation to the Offer and the principal factors considered by them in arriving at their recommendation.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is drawn to the additional information contained in the appendices to this Composite Document. You are also recommended to read carefully Appendix I to this Composite Document and the accompanying Form of Acceptance for further details in respect of the procedures for acceptance of the Offer.

By order of the Board
Wuxi Life International Holdings Group Limited
Choi Pun Lap
Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Set out below is the text of the letter of recommendation from the Independent Board Committee in respect of the Offer which has been prepared for the purpose of inclusion in this Composite Document.



Wuxi Life International Holdings Group Limited

悟喜生活國際控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8148)

4 September 2024

To the Independent Shareholders

Dear Sir/Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY
EMPEROR CORPORATE FINANCE LIMITED
ON BEHALF OF THE OFFEROR TO ACQUIRE ALL ISSUED SHARES
OF WUXI LIFE INTERNATIONAL HOLDINGS GROUP LIMITED
(OTHER THAN THOSE SHARES ALREADY OWNED AND/OR AGREED
TO BE ACQUIRED BY THE OFFEROR AND PARTIES ACTING
IN CONCERT WITH HIM)**

We refer to the composite offer and response document dated 4 September 2024 jointly issued and despatched by the Offeror and the Company (the “**Composite Document**”), of which this letter forms part. Unless the context otherwise requires, terms used in this letter shall have the same meanings as those defined in the Composite Document.

We have been appointed to constitute the Independent Board Committee to consider the terms of the Offer and to advise you as to whether, in our opinion, the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned and as to the acceptance of the Offer after taking into account the advice from the Independent Financial Adviser. Lego Corporate Finance has been appointed as the Independent Financial Adviser to advise us in this respect. Details of its advice and the principal factors taken into consideration in arriving at its recommendation are set out in the “Letter from the Independent Financial Adviser” from pages IFA-1 to IFA-22 of this Composite Document.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

We also wish to draw your attention to the “Letter from the Board”, the “Letter from Emperor Corporate Finance” and the additional information set out in the appendices to this Composite Document and the accompanying Form of Acceptance in respect of the Offer and the acceptance and settlement procedures for the Offer.

Having taken into account the terms of the Offer, the advice and recommendation from Lego Corporate Finance, we consider that the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned and therefore we recommend the Independent Shareholders to accept the Offer.

However, for those Independent Shareholders who are considering to realise all or part of their holdings in the Shares, they should closely monitor the market price and liquidity of the Shares during the Offer Period. Should the market price of the Shares exceed the Offer Price during the Offer Period, and the sale proceeds (net of transaction costs) exceed the net proceeds receivable under the Offer, the Independent Shareholders may wish to consider selling their Shares in the market instead of accepting the Offer.

In any case, the Independent Shareholders are strongly advised that the decision to realise or to hold their investment is subject to individual circumstances and investment objectives. If in doubt, the Independent Shareholders should consult their own professional advisers for advice. Furthermore, the Independent Shareholders who wish to accept the Offer are recommended to read carefully the procedures for accepting the Offer as detailed in Appendix I to this Composite Document and the accompanying Form of Acceptance.

Yours faithfully,

For and on behalf of the

Independent Board Committee of

Wuxi Life International Holdings Group Limited

Ms. Li Hui Ling

*Non-executive
Director*

Mr. Fu Yan Ming

*Independent non-executive
Director*

Ms. Lam Yuen Man Maria

*Independent non-executive
Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter of advice from Lego Corporate Finance Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this Composite Document, setting out its advice to the Independent Board Committee and the Independent Shareholders in respect of the Offer.



4 September 2024

To the Independent Board Committee and the Independent Shareholders

Dear Sirs or Madams,

**MANDATORY UNCONDITIONAL CASH OFFER BY
EMPEROR CORPORATE FINANCE LIMITED
ON BEHALF OF THE OFFEROR TO ACQUIRE ALL ISSUED SHARES
OF WUXI LIFE INTERNATIONAL HOLDINGS GROUP LIMITED
(OTHER THAN THOSE SHARES ALREADY OWNED AND/OR AGREED
TO BE ACQUIRED BY THE OFFEROR AND PARTIES ACTING
IN CONCERT WITH HIM)**

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committees and the Independent Shareholders in relation to the Offer, details of which are contained in the letter from the Board (the “**Letter from the Board**”) in the Composite Document jointly issued by the Offeror and the Company dated 4 September 2024, to which this letter forms part. Unless the context otherwise requires, terms used in this letter shall have the same meanings as those defined in the Composite Document.

On 14 August 2024, the Offeror and the Company jointly announced that Emperor Corporate Finance, on behalf of the Offeror, make the Offer to acquire all the Offer Shares from the Shareholders at the Offer Price, being HK\$0.12 per Offer Share in cash.

References are also made to (i) the announcements of the Company dated 14 February 2024, 14 March 2024, 7 June 2024 and 14 August 2024; (ii) the circular of the Company dated 9 April 2024; and (iii) the prospectus of the Company dated 24 July 2024, in relation to, among others, the Rights Issue. Pursuant to the results of the Rights Issue, on 15 August 2024, a total of 232,458,150 Rights Shares (after the Final Allocation) were issued to the Offeror, comprising (i) 74,000,000 Rights Shares from provisional allotments; (ii) 60,900,000 Rights Shares as transferee of nil-paid Rights Shares; and (iii) 97,558,150 Rights Shares (after the Final Allocation) from excess application.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Immediately following the completion of the Rights Issue (after the Final Allocation) and as at the Latest Practicable Date, the Offeror and parties acting in concert with him are interested in an aggregate of 269,458,150 Shares (comprising 37,000,000 Shares held by the Offeror and 232,458,150 Rights Shares (after the Final Allocation) issued to the Offeror upon completion of the Rights Issue), representing approximately 70.58% of the total issued shares capital of the Company as enlarged by the issue of 254,528,000 Rights Shares. Accordingly, the Offeror is required to make a mandatory unconditional cash offer pursuant to Rule 26.1 of the Takeovers Code for all the issued Offer Shares.

Pursuant to Rules 2.1 and 2.8 of the Takeovers Code, the Independent Board Committee, comprising Ms. Li Hui Ling, Mr. Fu Yan Ming and Ms. Lam Yuen Man Maria (being all of the non-executive Director and independent non-executive Directors), has been established to advise the Independent Shareholders in relation to the terms and conditions of the Offer, in particular as to whether the Offer is fair and reasonable and as to acceptance of the Offer.

OUR INDEPENDENCE

As at the Latest Practicable Date, Lego Corporate Finance Limited did not have any relationships or interests with the directors, chief executives and substantial shareholders of the Company or the Offeror or any other parties that could reasonably be regarded as relevant to the independence of Lego Corporate Finance Limited. In the last two years prior to the Latest Practicable Date, there was no engagement between the Group and/or the Offeror, and us. Apart from normal professional fees payable to us in connection with this appointment, no arrangement exists whereby we have received or will receive any fees or benefits from the Group or any director, chief executive or substantial shareholders of the Company or the Offeror, or their respective associates. Accordingly, we consider that we are eligible to give independent advice in respect of the Offer.

BASIS OF OUR OPINION

In formulating our opinion, we have relied on (i) the information and facts contained or referred to in the Composite Document; (ii) the information supplied by the Group and its advisers; (iii) the opinions expressed by and the representations of the Directors and the management of the Group (the “**Management**”); and (iv) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Composite Document were true, accurate and complete in all respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Composite Document are true at the time they were made and continue to be true as at the date of the Composite Document and all such statements of belief, opinions and intention of the Directors and the Management and those as set out or referred to in the Composite Document were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and/or the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Management. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in the Composite Document and that all information or representations provided to us by the Directors and the Management are true, accurate, complete and not misleading in all respects at the time they were made and continued to be so until the Latest Practicable Date. Should any subsequent major changes occur during the Offer Period that would affect or alter our opinion, we will notify the Independent Board Committee and the Shareholders as soon as possible in compliance with Rule 9.1 of the Takeovers Code.

We consider that we have reviewed the relevant information currently available, including, but not limited to, (i) the announcements of the Company dated 14 February 2024, 14 March 2024, 7 June 2024 and 14 August 2024; (ii) the annual report of the Company for the year ended 31 December 2023 and the interim report of the Company for the six months ended 30 June 2024; (iii) the Composite Document; and (iv) other information contained in the Composite Document, to reach an informed view and to justify our reliance on the accuracy of the information contained in the Composite Document so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors and the Management, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Company or any of its subsidiaries or associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our recommendation in respect of the Offer, we have taken into consideration the following principal factors and reasons:

1. Information on the Group

The Group is principally engaged in (i) developing and marketing of patented server based technology and the provision of communications software platform and software related services (the “**Software Platform Business**”); (ii) developing and operating of advertising e-commerce platform “紫紅盒子”, a combination of social media and sales channel which aim to develop an interactive application to foster franchising and brand development, which provides a tailored product recommendations and incentives in the form of advertising rewards or discounts (the “**Advertising E-commerce Platform**”); (iii) sales of a wide spectrum of product categories, mainly including skin care products, agricultural products, gold jewelry, daily necessities, etc., in the platform “紫紅盒子” (the “**Sales of Products**”), and (iv) game publishing, development of mobile game and related intellectual property and platform, mobile applications and data solutions and provision of IT related solutions.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(a) Financial performance of the Group

Set forth below is the summary of the financial performance of the Group for the years ended 31 December 2022 and 2023 extracted from the annual report of the Company for the year ended 31 December 2023 (the “**2023 Annual Report**”), and for the six months ended 30 June 2023 and 2024 extracted from the interim report of the Company for the six months ended 30 June 2024 (the “**2024 Interim Report**”):

	For the year ended		For the six months ended	
	31 December		30 June	
	2022	2023	2023	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)	(unaudited)	(unaudited)
<i>Continuing operations:</i>				
Revenue	21,436	24,493	13,331	36,749
– Software Platform				
Business	21,436	24,493	13,331	17,925
– Advertising E-commerce				
Platform Business	–	–	–	15,647
– Sales of Products				
Business	–	–	–	3,177
Gross profit	12,700	15,642	8,218	16,278
(Loss)/Profit before taxation	(22,152)	(12,484)	(1,903)	3,035
(Loss)/Profit for the year/ period	(22,047)	(12,384)	(1,903)	2,954
<i>Discontinued operations:</i>				
Profit/(Loss) for the year/ period	<u>76</u>	<u>3,049</u>	<u>(548)</u>	<u>–</u>
Total (loss)/profit for the year/period	(21,971)	(9,335)	(2,451)	2,954

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

For the year ended 31 December 2023 (“FY2023”)

According to the 2023 Annual Report, the Group recorded revenue from continuing operations, Software Platform Business, of approximately HK\$24.5 million for FY2023, representing an increase of approximately 14.3% as compared to approximately HK\$21.4 million for the year ended 31 December 2022 (“FY2022”). The increase in revenue was mainly attributable to the increased sales orders from existing and new customers of Software Platform Business. Gross profit from continuing operations of the Group increased from approximately HK\$12.7 million for FY2022 to approximately HK\$15.6 million for FY2023, representing an increase of approximately 23.2%, mainly due to the combined effect on increase in revenue as aforementioned and a slight increase on cost of sales of approximately 1.3% in FY2023.

Loss for the year from continuing operations decreased by approximately 43.8%, from approximately HK\$22.0 million in FY2022 to approximately HK\$12.4 million in FY2023. Such decrease was mainly attributable to (i) the significant reduction in impairment loss on goodwill from approximately HK\$18.5 million in FY2022 to approximately HK\$1.7 million in FY2023; and (ii) the increase in revenue and gross profit of the Group as aforementioned, and partially offset by the increase in administrative and other operating expenses of approximately 38.3% from approximately HK\$17.4 million in FY2022 to approximately HK\$24.0 million in FY2023, mainly due to the increase in staff costs and professional fees in support of the Group’s business operations.

For six months ended 30 June 2024 (“1H2024”)

According to the 2024 Interim Report, the Group recorded revenue from continuing operations of approximately HK\$36.7 million for 1H2024, representing an increase of approximately 175.7% as compared to approximately HK\$13.3 million for the six months ended 30 June 2023 (“1H2023”). The increase in revenue was mainly attributable to (i) the increase in segment revenue from Software Platform Business from approximately HK\$13.3 million for 1H2023 to approximately HK\$17.9 million for 1H2024, representing an increase by approximately 34.5%, mainly due to the increased sales orders from existing and new customers of Software Platform Business; and (ii) the new segment revenue from Advertising E-commerce Platform Business and Sales of Products Business in relation to the newly launched e-commerce platform of the Group, namely 紫紅盒子. Gross profit from continuing operations of the Group increased from approximately HK\$8.2 million for 1H2023 to approximately HK\$16.3 million for 1H2024, representing an increase of approximately 98.1%,

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mainly due to the increase in revenue as aforementioned and partially offset by the increase in cost of sales by approximately HK\$15.4 million as a result of the increase in purchases.

The Group recorded net profit from continuing operations of approximately HK\$3.0 million for 1H2024 and turned around from net loss of approximately HK\$2.5 million for 1H2023. This was mainly due to the increase in gross profit as a result of the increase in sales of the Software Platform Business and the revenue from new segments, the Advertising E-commerce Platform Business and the Sales of Products Business, and partly set off by the increase in the administrative and other operating expenses mainly due to the increase in staff costs and administrative expenses incurred for the new business operation in the PRC, during 1H2024.

(b) Financial position of the Group

Set forth below is the summary of the financial position of the Group as at 31 December 2022 and 2023 extracted from the 2023 Annual Report, and as at 30 June 2024 extracted from the 2024 Interim Report:

	As at 31 December		As at
	2022	2023	30 June
	HK\$'000	HK\$'000	2024
	(audited)	(audited)	(unaudited)
Total assets	19,570	8,703	37,828
Non-current assets	7,547	–	435
Current assets	12,023	8,703	37,393
Total liabilities	14,796	13,264	39,435
Non-current liabilities	870	1,378	985
Current liabilities	13,926	11,886	38,450
Net current (liabilities)	(1,903)	(3,183)	(1,057)
Net assets/(liabilities)	4,774	(4,561)	(1,607)

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As at 31 December 2023

The Group recorded total assets of approximately HK\$8.7 million as at 31 December 2023, representing a decrease of approximately 55.5% from approximately HK\$19.6 million as at 31 December 2022. According to the 2023 Annual Report, the decrease was primarily attributable to (i) the full impairment on the aggregate net carrying amount of approximately HK\$3.3 million in relation to the property, plant and equipment, goodwill, and right-of-use assets of the Software Platform Business as a result of the impairment assessment conducted by the Management; (ii) the disposal of the money lending business of the Group in December 2023 and recorded loss allowance of respective loan receivables of approximately HK\$2.8 million; and (iii) a decrease of trade and other receivables of approximately HK\$2.1 million.

The Group recorded total liabilities of approximately HK\$13.3 million as at 31 December 2023, representing a decrease of approximately 10.3% from approximately HK\$14.8 million as at 31 December 2022. According to the 2023 Annual Report, the decrease was primarily attributable to the decrease in other payables and interest-bearing borrowings in an aggregate amount of approximately HK\$4.3 million due to the early repayment, and offset by the increase in amount due to a director of approximately HK\$2.9 million.

The Group recorded net liabilities of approximately HK\$4.6 million as at 31 December 2023, which was decreased from the net assets of approximately HK\$4.8 million as at 31 December 2022.

As at 30 June 2024

The Group recorded total assets of approximately HK\$37.8 million as at 30 June 2024, representing a significant increase of approximately 334.7% from approximately HK\$8.7 million as at 31 December 2023. According to the Management, the increase was primarily attributable to (i) the increase in trade and other receivables, and cash and cash equivalents of approximately HK\$15.6 million and HK\$7.0 million as a result of the increased revenue from the Software Platform Business for 1H2024; and (ii) the increase in inventories of the Group of approximately HK\$6.1 million from the Sales of Products Business of the Group commenced in March 2024.

The Group recorded total liabilities of approximately HK\$39.4 million as at 30 June 2024, representing a significant increase of approximately 197.3% from approximately HK\$13.3 million as at 31 December 2023. According to the Management, the increase was primarily attributable to (i) the increase in receipts in advance of approximately HK\$19.6 million from the new Advertising E-commerce Platform Business and Sales of Products Business of the Group; (ii)

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the increase in contract liabilities as a result of increased IT service contracts entered during the period; and (iii) the increase in amount due to a director of approximately HK\$1.2 million.

(c) *Our view on the financial information of the Group*

Based on the foregoing, it is noted that the financial performance on continuing operations of the Group have been improved from net loss of approximately HK\$22.0 million for FY2022 to net profit of approximately HK\$3.0 million for 1H2024 with increased revenue from Software Application Business and the new businesses in relation to its e-commerce platform (紫紅盒子), namely the Advertising E-commerce Platform Business and Sales of Products Business. However, it is worth noting that while the financial performance for the first half of 2024 is positive, they are not a guarantee of future performance considering that the Group had remained in net loss and net current liabilities position for consecutive financial years/periods. The future performance of the Group will also depend on factors such as the overall market conditions, industry competition, and economic performance.

(d) *Industry overview and business outlook of the Group*

The information technology (IT) market in Hong Kong has been experiencing robust growth. Despite the Hong Kong economy fluctuates in the past decade, according to Statista, an international market and consumer data provider, market revenue from software-related industries in Hong Kong has been experiencing continuous growth from approximately US\$1.58 billion in 2017 to US\$1.96 billion in 2023, representing compound annual growth rate (CAGR) of approximately 3.66%. Statista expects market revenue from software-related industries in Hong Kong to achieve approximately US\$2.73 billion by 2029, representing CAGR of approximately 5.68% from 2024. In particular, the aggregated market revenue from enterprise and productivity software in Hong Kong is expected to achieve approximately US\$1.5 billion, representing CAGR of approximately 6.29% from approximately US\$1.04 billion in 2023.

According to the 2024 Interim Report, the Group will continue to strengthen its competitiveness and develop its software platform in the context of the advancement in technology. The Group will also continue to maintain a long-term relationship with the existing clients while actively participate in tendering for different projects with an aim of expanding its customer base as well as securing more sales orders from existing customers. However, facing the conditions in the fiercely competitive and ever-changing market, the Group will continue to put in enough resources to meet the increasingly innovative industry standards for customer demand. In navigating the post-pandemic landscape, the Company's strategy concentrates on expanding in high-growth sectors while maintaining a presence in slower growth areas.

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With respect to the e-commerce market in the PRC, according to Statista, revenue of e-commerce market in the PRC has increased significantly from approximately US\$405.35 billion in 2017 to approximately US\$1,255.29 billion in 2023, representing CAGR of approximately 20.73%. Statista expects market revenue from e-commerce in the PRC to achieve approximately US\$2,360.77 billion by 2029, representing a CAGR of approximately 11.10%.

According to the 2024 Interim Report, the new platform of the Group strategically enables small and medium enterprises (SMEs) to expand their reach and efficiency in advertising. By providing a centralised digital marketplace, the platform can potentially lower marketing costs and increase rate of return for SMEs through targeted advertising and analytics. According to the 14th Five-Year Plan for E-Commerce Development released by China's Ministry of Commerce in October 2021, the 14th Five-Year Plan introduces seven major tasks to promote the development of e-commerce, including shaping a high-quality e-commerce industry, leading consumption upgrading, promoting business-industry integration, driving the quality and expansion of the sinking market, exploring international co-operation, promoting efficiency changes, and deepening the governance of e-commerce, thereby achieving the objective of achieving significant results in the high-quality development of e-commerce in China by 2025 and e-commerce becoming an important driving force for a significant leap in China's economic strength, scientific and technological strength, and comprehensive national power by 2035. Aligning with current IT trends worldwide, the new e-commerce platform of the Group could also offer innovative data-driven advertising solutions, tapping into the widespread use of data analytics and artificial intelligence to enhance ad relevance and engagement. This aligns with digital transformation, giving SMEs a resilient and forward-thinking advertising channel amid the evolving economic climate.

2. Information on the Offeror

Mr. Liu Guanzhou (“**Mr. Liu**”), aged 42, has been appointed as an executive Director and chairman of the Board of the Company with effect from 14 April 2023. He has over 13 years of experience in business directory publishing and strategic consultancy, and over 10 years of experience in digital marketing and software business, including rich sales channels and business network in the People's Republic of China. Mr. Liu is the shareholder and authorised representative of several private companies which are engaging in electromechanical equipment, advertising, investment management and brand operation management. Mr. Liu has been a publisher and strategic consultant. Mr. Liu is mainly responsible for the general management and business development in the Greater China.

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3. Intentions of the Offeror in relation to the Group

It is the intention of the Offeror to continue the existing businesses of the Group and the Offer has no intention to put forward any major changes to the businesses of the Group after the close of the Offer. As at the Latest Practicable Date, the Offeror has not entered and does not intend to enter into any agreement, arrangements, understanding (i) to acquire and/or develop any new business nor (ii) to dispose of or downsize the existing businesses and/or material operating assets, of the Group unless appropriate opportunities arise.

The Offeror will, following the close of the Offer, review the operations of the Group from time to time in order to enhance a long-term growth potential for the Group and explore other business or investment opportunities for enhancing its future development and strengthening its revenue base. Subject to the result of the review, the Offeror may explore other business opportunities for the Company and consider whether any asset disposals, asset acquisitions, business rationalisation, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance long-term growth potential of the Company. Should such corporation actions materialize, further announcement(s) will be made by the Company in accordance with the GEM Listing Rules.

As at the Latest Practicable Date, the Offeror has no intention to discontinue any employment of the employees of the Group or to dispose of or re-allocate the Group's assets which are not in the ordinary and usual course of business of the Group.

As at the Latest Practicable Date, the Board comprises Mr. Liu, Ms. Liu Xingmei, Mr. Choi Pun Lap as executive Directors, Ms. Li Hui Ling as non-executive director, and Mr. Fu Yan Ming and Ms. Lam Yuen Man Maria as independent non-executive Directors. The Offeror does not have any intention to nominate new Directors to the Board but may do so in the future. If the Offeror in the future wishes to nominate new Directors to the Board it shall be with effect from the earliest time permitted under the Takeovers Code. Further announcement(s) will be made by the Company in compliance with the requirements of the GEM Listing Rules as and when there are changes in the composition of the Board.

4. Maintaining the listing status of the Company and sufficient public float of the Company

If, at the close of the Offer, less than the minimum prescribed percentage applicable to, being 25% of the Shares, are held by the public, or if the Stock Exchange believes that:

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

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

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The Offeror intends the Company to remain listed on the Stock Exchange. The Offeror does not intend to avail itself of any powers of compulsory acquisition of any Shares outstanding after the close of the Offer. The Offeror will undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares. The Offeror considers that the appropriate actions to be taken after the close of the Offer shall include placing down of sufficient number of accepted Offer Shares by the Offeror where appropriate. The Offeror and the Company will issue a further announcement as and when necessary in this regard.

5. Principal terms of the Offer

As set out in the “Letter from the Emperor Corporate Finance” contained in the Composite Document, Emperor Corporate Finance, on behalf of the Offeror, make the Offer to acquire all the Offer Shares in compliance with the Takeovers Code on the basis set out below:

For every Offer Share HK\$0.12 in cash

The Offer Price of HK\$0.12 per Offer Share is equivalent to the Subscription Price of HK\$0.12 per Rights Shares paid by the Offeror under the Rights Issue.

As at the Latest Practicable Date, the Company has 381,792,000 Shares in issue and there is no outstanding options, warrants, derivatives or securities convertible or exchangeable into Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code).

As at the Latest Practicable Date, the Offeror and parties acting in concert with him are interested in an aggregate of 269,458,150 Shares (comprising 37,000,000 Shares held by the Offeror as at the Latest Practicable Date and 232,458,150 Rights Shares (after the Final Allocation) issued to the Offeror upon completion of the Rights Issue). A total of 112,333,850 Offer Shares are subject to the Offer. In the event that the Offer is accepted in full by the Independent Shareholders, the aggregate amount payable by the Offeror under the Offer will be HK\$13,480,062.

6. Analysis of the Offer Price

The Offer Price of HK\$0.12 represents:

- (a) a discount of approximately 36.17% to the closing price of HK\$0.188 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (b) a discount of approximately 13.04% to the closing price of HK\$0.138 per Share as quoted on the Stock Exchange on the Last Trading Day;

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- (c) a discount of approximately 16.67% to the average closing price of approximately HK\$0.144 per Share as quoted on the Stock Exchange over the five (5) consecutive trading days immediately prior to and including the Last Trading Day;
- (d) a discount of approximately 13.04% to the average closing price of approximately HK\$0.138 per Share as quoted on the Stock Exchange over the ten (10) consecutive trading days immediately prior to and including the Last Trading Day;
- (e) a discount of approximately 23.57% to the average closing price of approximately HK\$0.157 per Share as quoted on the Stock Exchange over the thirty (30) consecutive trading days immediately prior to and including the Last Trading Day;
- (f) a discount of approximately 28.14% to the average closing price of approximately HK\$0.167 per Share as quoted on the Stock Exchange over the sixty (60) consecutive trading days immediately prior to and including the Last Trading Day;
- (g) a premium of approximately HK\$0.132 over the net liabilities of the Company of approximately HK\$0.012 per Share based on the audited net liabilities of the Company of approximately HK\$4,561,000 as at 31 December 2023 as disclosed in the 2023 Annual Report and 381,792,000 Shares as enlarged by the Rights Issue;
- (h) a premium of approximately 1,100% over the unaudited consolidated net asset value attributable to Shareholders of approximately HK\$0.01 per Share (based on the unaudited consolidated net asset value of the Company attributable to Shareholders of approximately HK\$3.76 million as at 30 June 2024 and 381,792,000 Shares in issue as enlarged by the Rights Issue as at the Latest Practicable Date); and
- (i) a premium of approximately 41.18% over the unaudited consolidated net asset value attributable to Shareholders of approximately HK\$0.085 per Share (based on the unaudited consolidated net asset value of the Company attributable to Shareholders of approximately HK\$3.76 million as at 30 June 2024 as adjusted by net proceeds from the Rights Issue of approximately HK\$28.74 million and 381,792,000 Shares in issue as enlarged by the Rights Issue as at the Latest Practicable Date).

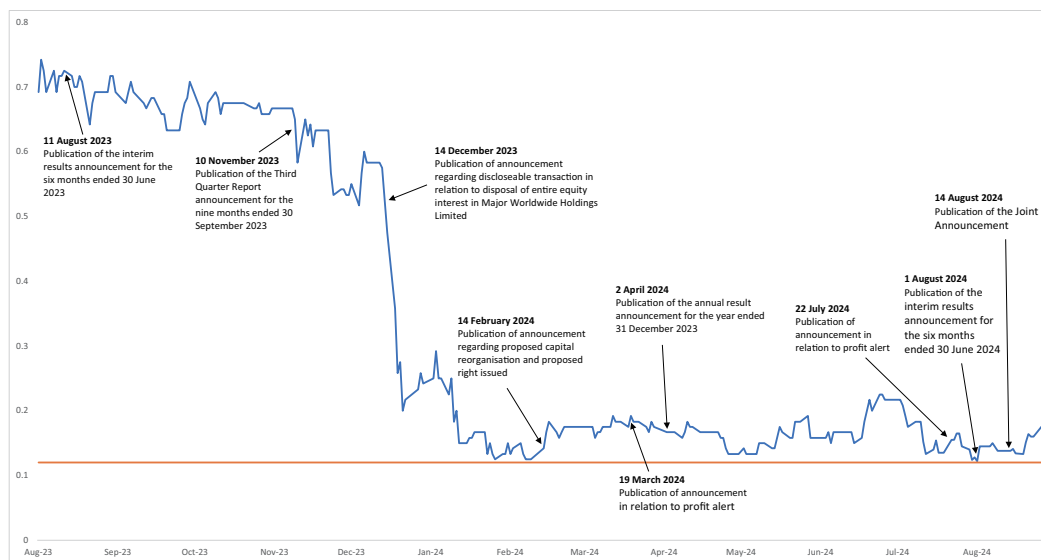
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As illustrated above, notwithstanding the Offer Price represents a discount to the recent closing prices of the Shares on the Stock Exchange in general, it represents a considerable premium over the unaudited consolidated net asset value attributable to Shareholders as at 30 June 2024 and 381,792,000 Shares in issue as enlarged by the Rights Issue as at the Latest Practicable Date.

For the purpose of assessing the fairness and reasonableness of the Offer Price, we have performed analyses on (i) the historical Share price performance; (ii) the liquidity of the Shares; and (iii) the Comparable Companies (as defined below) as follows:

(i) Historical Share price performance

Set out below is a chart showing the daily closing prices of the Shares as quoted on the Stock Exchange during the period from 1 August 2023 up to the Latest Practicable Date (the “**Review Period**”). We consider that the duration of the Review Period of approximately one year would be reasonable and sufficient to illustrate the relationship between the recent price movement of the closing prices of the Shares and the Offer Price.



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

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As illustrated in the chart above, the closing prices of the Shares were traded above the Offer Price during the Review Period, with the highest closing price at HK\$0.742 per Share on 2 August 2023 and the lowest closing price at HK\$0.122 per Share on 1 August 2024. The average closing price of the Share was approximately HK\$0.340 per Share. Accordingly, the Offer Price of HK\$0.12 per Share represents a discount of approximately 83.8% and 1.6% to the highest closing price and lowest closing price of the Share, respectively, and a discount of approximately 64.7% to the average closing price of the Shares of approximately HK\$0.340, during the Review Period.

It is noted that the closing price of the Shares dropped significantly from HK\$0.60 per Share on 6 December 2023 to HK\$0.24 per Share on 21 December 2023. Based on the public information on the website of the Stock Exchange, save for the disposal of a wholly-owned subsidiary of the Company as illustrated in the chart above, we did not notice any specific reason for the aforementioned Share price movement. In this regard, we have further discussed with the Company regarding the Share price movement in concern and we were given to understand from the Management that they are not aware of any specific factor (including disposal of the subsidiary in concern) which would have led to such drop. Subsequent to 21 December 2023 and up to the Latest Practicable Date, the Shares were traded within the range between HK\$0.122 per Share to HK\$0.292 per Share.

Shareholders should note that the information set out above is not an indicator of the future performance of Shares and that the price of Shares in the future may increase or decrease from its closing price as at the Latest Practicable Date.

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(ii) Liquidity of the Shares

The table below sets out the monthly statistics of the average daily volume of the Shares per month and the respective percentages of the average daily trading volume as compared to the total number of issued Shares during the Review Period:

Month	Total trading volume of the Shares (Shares)	Number of trading days in the month (days)	Average daily trading volume of the Shares (Shares) (Note 1)	Percentage of average daily trading volume over total number of issued Shares held by public Shareholders	Percentage of average daily trading volume over total number of issued Shares
				(Note 2)	(Note 3)
2023					
August	2,713,680	23	117,986	0.009%	0.016%
September	813,600	19	42,821	0.003%	0.006%
October	228,000	20	11,400	0.001%	0.002%
November	429,600	22	19,527	0.002%	0.003%
December	4,613,521	19	242,817	0.019%	0.032%
2024					
January	10,834,323	22	492,469	0.039%	0.065%
February	2,660,076	19	140,004	0.011%	0.018%
March	752,640	20	37,632	0.003%	0.005%
April	2,004,480	20	100,224	0.008%	0.013%
May	578,760	21	27,560	0.002%	0.004%
June	953,040	19	50,160	0.004%	0.007%
July	1,861,060	22	84,594	0.066%	0.111%
August	3,605,896	21	171,709	0.135%	0.226%
September (up to the Latest Practicable Date)	4,000	1	4,000	0.003%	0.005%

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

Note:

1. Average daily trading volume is calculated by dividing the total trading volume for the month/period by the number of trading days in the respective month/period.

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2. The calculation is based on the average daily trading volume of the Shares divided by the total number of Shares in issue at the end of each month/period.
3. The calculation is based on the average daily trading volume of the Shares divided by the total number of Shares in issue held by public Shareholders at the Latest Practicable Date.
4. The Company has conducted its capital reorganisation on 9 July 2024. For avoidance of doubt, relevant information from 9 July 2024 up to the Latest Practicable Date represents the historical Share trading record of the Company after the capital reorganisation. Please refer to the announcements of the Company dated 14 February 2024 and 14 March 2024 and the next day disclosure return published on 9 July 2024, for details of the capital reorganisation.

As illustrated in the above table, the average daily trading volume of the Shares during the Review Period was generally low, ranging from (i) approximately 0.001% to approximately 0.135% of the total number of Shares in issue; and (ii) approximately 0.002% to approximately 0.226% of the total number of Shares in issue held by public Shareholders, as at the end of the relevant month/period. Having considered the prevailing condition of the Hong Kong stock market and the overall low liquidity of the Shares, it is uncertain that the overall liquidity of Shares could be maintained and that there would be sufficient liquidity in Shares for the Shareholders to dispose of a significant number of Shares over a prolonged period in the open market without exerting downward pressure on the Share price. We, therefore, consider that the Offer provides the Shareholders with an assured exit at the Offer Price if they wish to realise their investments in Shares.

(iii) Comparable Companies analyses

In order to assess the fairness and reasonableness of the Offer Price, we have carried out analyses on the trading multiples of the comparable companies (the “**Comparable Companies**”) on the Stock Exchange. In this connection, (a) the implied price-to-earnings ratio (the “**P/E Ratio**”); (b) the implied price-to-sales ratio (the “**P/S Ratio**”); and (c) the implied price-to-book ratio (the “**P/B Ratio**”) of the Offer. However, having considered (i) the loss-making position of the Group for FY2023; and (ii) the non-assets intensive characteristics of the principal businesses of the Group, we are of the view that the P/E Ratio and P/B Ratio would not be the appropriate trading multiples in analysing the Offer. Hence, we have conducted the research based on the P/S Ratio, being a common valuation benchmark for loss-making and/or non-assets intensive companies, as part of our analysis.

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In addition, we noted that the Company has commenced its own e-commerce platform and related business in March 2024 which has contributed approximately 51.2% of the total revenue for 1H2024. However, having considered (i) the e-commerce businesses of the Group were newly launched with a relatively short track record, and future business performance, sustainability and viability of which may need more time to observe; (ii) according to the 2024 Interim Report, the segment results (before unallocated corporate expenses) of the e-commerce businesses, namely the Advertising E-commerce Platform Business and Sales of Products Business, was insignificant of approximately HK\$1.2 million for 1H2024; and (iii) the financial performance of the Group for 1H2024 has not been audited which may cast uncertainties on the assurance of respective financial information, hence, we are of the view that the audited annual financial performance of the Group for FY2023 would be more reliable and appropriate to reflect the value of the Company in comparing the trading multiples with the Comparable Companies.

Having considered the principal businesses of the Group, for the purpose of our analysis, we have identified an exhaustive list of six comparable companies (the “**Comparable Companies**”) based on the selection criteria that (i) shares of the companies being listed and traded on GEM of the Stock Exchange as at the Last Trading Day (i.e. 9 August 2024); (ii) principally engaged in development and provision of software or related IT services in Hong Kong; (iii) over 50% of the total revenue of the listed issuer was generated from the development and provision of software or related IT services based on its latest financial report; and (iv) market capitalisation of the listed issuer between HK\$30.0 million to HK\$100.0 million as at the Last Trading Day, having considered the implied market capitalisation of the Offer of approximately HK\$45.8 million.

It should be noted that the Comparable Companies may have different principal activities, market capitalisations, financial performance and financial positions as compared to those of the Company, and that none of the Comparable Companies has recently been involved in any general offer pursuant to the Takeovers Code. However, in light of our selection criteria, we consider that the Comparable Companies (i) adequately represents the prevailing capital market conditions and sentiments in Hong Kong stock market; and (ii) provide a fair, sufficient and meaningful reference on trading multiples of listed issuers on GEM of the Stock Exchange with similar principal business activities as the Group for comparison purpose.

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Set forth below is the table illustrating detailed information of the Comparable Companies:

Company name	Stock code	Principal business	Market capitalisation HK\$' million (note 1)	Revenue HK\$' million	Net profit		P/S ratio times (note 2)	P/E ratio times (note 3)	P/B ratio times (note 4)
					attributable to shareholders HK\$' million	Net assets attributable to shareholders HK\$' million			
Finsoft Financial Investment Holdings Ltd	8018	Provision of financial trading software solutions, other IT and internet financial platforms services, money lending business, and assets investments in Hong Kong	35.80	52.33	Net loss	37.54	0.68	n/a	0.95
abc Multiactive Limited	8131	Sales of computer software licenses, computer software license leasing and provision of related services, provision of maintenance services, sales of computer hardware and related products, provision of fintech resources services and overseas mortgage loan consultancy services	39.97	26.20	Net loss	3.01	1.53	n/a	13.28
Novacon Technology Group Limited	8635	Development and provision of financial trading solutions; development and supply of resource allocation, planning, scheduling and management of software and services; and provision of bullion trading services	30.00	22.79	Net loss	106.33	1.32	n/a	0.28
eBroker Group Limited	8036	Provision of financial software solution services in Hong Kong, including front office solution services, back office solution services, installation and customization services, managed cloud services and other services	61.50	37.63	1.92	62.57	1.63	32.05	0.98
Vodatel Networks Holdings Limited	8033	Design, supply, implementation and maintenance of turnkey solutions in the areas of IT, networks and surveillance and development of customised software for its customers	86.26	528.07	6.53	216.77	0.16	13.21	0.40
ECI Technology Holdings Limited	8013	Provision of consultation, design, integration, implementation and maintenance services of extra-low voltage solutions in Hong Kong, which covers CCTV, fire alarm systems, public address systems, audio/video solutions, access control, car park systems and clubhouse management systems	88.00	174.01	5.62	82.78	0.51	15.65	1.06
		Maximum	88.00	528.07	6.53	216.77	1.63	32.05	13.28
		Minimum	30.00	22.79	1.92	3.01	0.16	13.21	0.28
		Average	56.92	140.17	4.69	84.83	0.97	20.30	2.83
		Median	50.73	44.98	5.62	72.68	1.00	15.65	0.97
The Offer			45.82 (note 5)	24.49	Net loss	3.76	1.87 (note 6)	n/a (note 7)	12.18 (note 7)

Notes:

- In respect of the Comparable Companies, market capitalisation is calculated based on respective closing share prices as at the Last Trading Day and on the latest available monthly return on movements in securities of the respective listed issuers.
- The P/S Ratio of respective listed issuers is calculated based on the market capitalisation as at the Last Trading Day divided by the total revenue as disclosed in their latest published annual reports.

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3. The P/E Ratio of respective listed issuers is calculated based on the market capitalisation as at the Last Trading Day divided by the net profit attributable to the owners of the company as disclosed in their latest published annual reports.
4. The P/B Ratio of respective listed issuers is calculated based on the market capitalisation as at the Last Trading Day divided by the net assets attributable to the owners of the company as disclosed in their latest published annual reports or interim reports.
5. The implied market capitalisation of the Offer is calculated based on the Offer Price multiplied by 381,792,000 Shares in issue as at the Last Trading Day (immediately following the completion of the Rights Issue).
6. The implied P/S Ratio of the Offer is calculated based on the implied market capitalisation (see note 5 above) divided by the total revenue of the Group as disclosed in the 2023 Annual Report.
7. The P/E Ratio and P/B Ratio are not applicable for the Offer as the Company recorded net loss for FY2023 and the non-assets intensive characteristics of the principal businesses of the Group, and for illustrative purposes only.

As illustrated in the table above, the P/S Ratio of the Comparable Companies ranged from approximately 0.16 times to approximately 1.63 times, with an average and median of approximately 0.97 times and 1.00 times, respectively. Accordingly, the implied P/S Ratio of the Offer is higher than the upper range, average and median of the P/S Ratio of the Comparable Companies.

In addition, it is noted that the revenue level of the Group of approximately HK\$24.49 million for FY2023 is in the lower range of the Comparable Companies and the Group has been in a loss-making and net liabilities position with liquidity concerns. Accordingly, we are of the view that the Offer avails Independent Shareholders who have concerns over the financial position and performance of the Group with an opportunity to divest part or all of their investment in the Shares which the price is considered reasonable based on the above P/S Ratio analysis.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

7. Shareholding structure of the Company

The table below sets out the shareholding structure of the Company (i) immediately before completion of the Rights Issue; and (ii) immediately after completion of the Rights Issue and as at the Latest Practicable Date:

	Immediately before completion of the Rights Issue		Immediately after completion of the Rights Issue	
	No. of Shares	%	No. of Shares	%
		(Note 2)		(Note 2)
Mr. Liu Guanzhou (Note 1)	<u>37,000,000</u>	<u>29.07</u>	<u>269,458,150</u>	<u>70.58</u>
Offeror and parties acting in concert with him	37,000,000	29.07	269,458,150	70.58
Mr. Zhang Dong (Note 3)	14,356,595	11.28	14,356,595	3.76
Other public Shareholders	<u>75,907,405</u>	<u>59.65</u>	<u>75,907,405</u>	<u>25.66</u>
Total	<u><u>127,264,000</u></u>	<u><u>100.00</u></u>	<u><u>381,792,000</u></u>	<u><u>100.00</u></u>

Notes:

1. Mr. Liu Guanzhou is the chairman of the Board and an executive director of the Company.
2. Certain percentages included in the above table have been subject to rounding adjustments.
3. Based on publicly available information, as at the Latest Practicable Date, Mr. Zhang Dong directly held approximately 3.76% of the issued share capital of the Company. Mr. Zhang Dong is an Independent Third Party and the 14,356,595 Shares held by him are regarded as Shares held by public Shareholders.

RECOMMENDATION

Based on the foregoing, having considered the aforementioned principal factors and reasons for the Offer, in particular:

- (i) Notwithstanding the Offer Price represents a discount of approximately 64.7% to the average closing prices of Shares of approximately HK\$0.340 during the Review Period, the Offer Price of HK\$0.12 represents (i) a premium of approximately 41.18% over the unaudited consolidated net asset value attributable to Shareholders of approximately HK\$0.085 per Share (based on the unaudited consolidated net asset value of the Company attributable to Shareholders of approximately HK\$3.76 million as at 30 June 2024 as adjusted by net proceeds from the Rights Issue of approximately

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

HK\$28.74 million and 381,792,000 Shares in issue as enlarged by the Rights Issue as at the Latest Practicable Date); and (ii) the equivalent amount of the Subscription Price of HK\$0.12 per Rights Shares paid by the Offeror under the Rights Issue;

- (ii) the implied P/S Ratio of the Offer of approximately 1.87 times is higher than the upper range of the P/S Ratio of the Comparable Companies of 1.63 times, and is higher than the average and median of the P/S Ratio of the Comparable Companies of approximately 0.97 times and 1.00 times, respectively;
- (iii) as discussed in the section headed “6. Analysis of the Offer Price – (ii) Liquidity of the Shares” in this letter above, having considered the thin historical trading volume of the Shares on the Stock Exchange, the Independent Shareholders shall also consider and monitor the trading volume of Shares during the Offer Period, as they may experience difficulty in disposing significant number of their Shares in the open market without creating downward pressure on the price of Shares and that there is no assurance on whether the Share price and liquidity can maintain at the prevailing level beyond the Offer Period. The Offer provides the Independent Shareholders with an assured exit if they wish to realise their investments in Shares; and
- (iv) notwithstanding that the Group recorded unaudited net profit of approximately HK\$3.0 million for 1H2024, we are of the view that it remains to be seen whether the turnaround of financial performance is sustainable having considered the net losses recorded by the Group over the past five consecutive financial years.

we are of the opinion that terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned. However, in view of the recent volatility of the closing share price during the Review Period, those Independent Shareholders who intend to accept the Offer are reminded that they should closely monitor the market price of Shares during the Offer Period and should consider selling their Shares in the open market, rather than accepting the Offer, if the net proceeds from the sale of such Shares in the open market would exceed the net proceeds receivable under the Offer. On this basis, we recommend the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to accept the Offer if the amount they can receive under the Offer is higher than the net proceeds from the sale of such Shares in the open market.

Those Independent Shareholders who have a positive view of the prospects of the Group after the change of control and wish to retain part or all of their investment in the Shares should note that the prospects of the Group are uncertain given that no specific committed development plans for the Group have been given by the Offeror at this time. Accordingly, these Independent Shareholders should carefully consider the relevant risks and uncertainties based on their individual risk preference and tolerance level and should also closely monitor the financial performance of the Group and the intentions of the Offeror as and when there is more information available in this regard.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Independent Shareholders should also be aware that, if the number of Shares held by the public, as defined in the GEM Listing Rules, comprises less than 25% of the issued Shares of the Company at the close of the Offer, trading in the Shares may be suspended. Should this happen, the Independent Shareholders who choose not to accept the Offer will not be able to sell their Shares on the Stock Exchange until trading in the Shares resumes.

Independent Shareholders are strongly recommended to read carefully the terms and procedures for accepting the Offer set out in the Letter from Emperor Corporate Finance of the Composite Document, Appendix I to the Composite Document and the accompanying Form of Acceptance.

Yours faithfully,
For and on behalf of
Lego Corporate Finance Limited
Joshua Liu
Managing Director

Mr. Joshua Liu is a licensed person registered with the Securities and Futures Commission and a responsible officer of Lego Corporate Finance Limited to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong). He has over 25 years of experience in the securities and investment banking industries.

PROCEDURES FOR ACCEPTANCE OF THE OFFER

- (a) To accept the Offer, you should complete and sign the accompanying Form of Acceptance in accordance with the instructions printed thereon, which form part of the terms of the Offer.
- (b) If 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) in respect of your Shares is/are in your name, and you wish to accept the Offer, you must lodge the duly completed and signed Form of Acceptance together with the relevant 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) for not less than the number of Shares in respect of which you intend to accept the Offer, marked “Wuxi Life International Holdings Group Limited-Offer” on the envelope, to the Registrar, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible and in any event no later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and announce with the consent of the Executive and in accordance with the Takeovers Code.
- (c) If 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) in respect of your Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Offer in respect of your holding of Shares (whether in full or in part), you must either:
 - (i) lodge your 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, with instructions authorising it to accept the Offer on your behalf and requesting it to deliver the duly completed Form of Acceptance together with the relevant 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 Registrar; or
 - (ii) arrange for the Shares to be registered in your name by the Company through the Registrar, and lodge the duly completed and signed Form of Acceptance together with the relevant 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 Registrar; or

- (iii) if your 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 authorise HKSCC Nominees Limited to accept the 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 Shares have been lodged with your investor participant's account maintained with CCASS, authorise your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set out by HKSCC Nominees Limited.
- (d) If 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) in respect of your Shares is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the Offer in respect of your Shares, the Form of Acceptance should nevertheless be completed and lodge to the Registrar together with a letter stating that you have lost one or more of your 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) or that it/they is/are not readily available. If you find such document(s) or if it/they become(s) available, it/they should be forwarded to the Registrar as soon as possible thereafter. If you have lost your Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title, you should also write to the Registrar for a letter of indemnity which, when completed in accordance with the instructions given, should be returned to the Registrar.
- (e) If you have lodged transfer(s) of any of your Shares for registration in your name and have not yet received your Share certificate(s), and you wish to accept the Offer in respect of your Shares, you should nevertheless complete and sign the Form of Acceptance and lodge it to the Registrar together with the transfer receipt(s) duly signed by yourself. Such action will be deemed to be an irrevocable authority to the Offeror and/or Emperor Corporate Finance or their respective agent(s) to collect from the Company or the Registrar on your behalf the relevant Share certificate(s) when issued and to deliver such Share certificate(s) to the Registrar on your behalf and to authorise and instruct the Registrar to hold such Share certificate(s), subject to the terms of the Offer, as if it was/they were delivered to the Registrar with the Form of Acceptance.

- (f) Acceptance of the Offer will be treated as valid only if the completed Form of Acceptance is received by the Registrar by no later than 4:00 p.m. on the Closing Date (or such later time and/or date as the Offeror may determine and announce with the consent of the Executive and in accordance with the Takeovers Code) and the Registrar has recorded the acceptance and any relevant documents required by the Takeovers Code have been so received, and is:
- (i) accompanied by the relevant 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) and, if that/those 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) is/are not in your name, such other documents (e.g. a duly stamped transfer of the relevant 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 Shares; or
 - (ii) from a registered Shareholder or its/his/her personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Shares which are not taken into account under another subparagraph of this paragraph (f)); or
 - (iii) certified by the Registrar or the Stock Exchange.
- (g) If the Form of Acceptance is executed by a person other than the registered Shareholder, appropriate documentary evidence of authority (e.g. grant of probate or certified copy of power of attorney) to the satisfaction of the Registrar must be produced.
- (h) No acknowledgement of receipt of any Form of Acceptance, 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.

SETTLEMENT OF THE OFFER

Provided that a valid Form of Acceptance and the relevant 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) are complete and in good order in all respects and have been received by the Registrar before the close of the Offer, a cheque for the amount due to each of the Independent Shareholders who accepts the Offer less the seller's ad valorem stamp duty in respect of the Shares tendered by it/him/her or it/his/her agent(s) under the Offer will be despatched to such Independent Shareholder by ordinary post at its/his/her own risk as soon as possible but in any event no later than seven (7) Business Days following the date of receipt of all the relevant documents by the Registrar to render such acceptance complete and valid.

Settlement of the consideration to which any Independent Shareholder accepting the Offer is entitled under the Offer will be implemented in full in accordance with the terms of the Offer (save with respect to the payment of the seller's 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 Independent Shareholder accepting the Offer.

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

ACCEPTANCE PERIOD AND REVISIONS

- (a) In order to be valid for the Offer, the Form of Acceptance must be received by the Registrar in accordance with the instructions printed thereon by 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and announce with the consent of the Executive and in accordance with the Takeovers Code. The Offer is unconditional.
- (b) If the Offer is extended, the announcement of such extension will state the next closing date or the announcement will contain a statement that the Offer will remain open until further notice. In the latter case, at least fourteen (14) days' notice in writing must be given to the Independent Shareholders before the Offer is closed and an announcement must be published. If, in the course of the Offer, the Offeror revises the terms of the Offer, all Independent Shareholders, whether or not they have already accepted the Offer, will be entitled to accept the revised Offer under the revised terms. The revised Offer must be kept open for at least fourteen (14) days following the date on which the revised offer document(s) are posted and shall not close earlier than the Closing Date.
- (c) If the Closing Date is extended, any references in this Composite Document and the Form of Acceptance to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the subsequent closing date.

ANNOUNCEMENTS

By 6:00 p.m. on the Closing Date (or such later time and/or date as the Executive may in exceptional circumstances permit), the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the revision, extension or expiry of the Offer. The Offeror must publish an announcement in accordance with the requirements of the Takeovers Code by 7:00 p.m. on the Closing Date stating the results of the Offer and whether the Offer has been revised, extended or has expired.

The announcement will state the total number of Shares and rights over Shares:

- a. for which acceptances of the Offer have been received;
- b. held, controlled or directed by the Offeror and parties acting in concert with him before the Offer Period; and
- c. acquired or agreed to be acquired by the Offeror and parties acting in concert with him during the Offer Period.

The announcement will also include details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror or parties acting in concert with him has borrowed or lent, save for any borrowed securities which have been either on-lent or sold.

The announcement will also specify the percentages of the issued share capital of the Company, and the percentages of voting rights, represented by these numbers.

In computing the total number of Shares represented by acceptances, only valid acceptances that are complete, in good order and fulfill the acceptance conditions set out in this Appendix I, and which have been received by the Registrar no later than 4:00 p.m. on the Closing Date, being the latest time and date for acceptance of the Offer, shall be included.

As required under the Takeovers Code, all announcements in relation to the Offer will be made in accordance with the requirements of the Takeovers Code and the GEM Listing Rules.

NOMINEE REGISTRATION

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

RIGHT OF WITHDRAWAL

Acceptances of the Offer tendered by the Independent Shareholders or by their agent(s) on their behalf, shall be irrevocable and cannot be withdrawn, except in the circumstances set out in the following paragraph.

In the circumstances set out in Rule 19.2 of the Takeovers Code (which is to the effect that if the Offeror is unable to comply with any of the requirements of making announcements relating to the Offer as described under the paragraph headed “Announcements” above), the Executive may require that acceptors be granted a right of withdrawal, on terms acceptable to the Executive, until such requirements can be met.

In such case, when the Independent Shareholder(s) withdraw their acceptance(s), the Offeror shall, as soon as possible but in any event within ten (10) days thereof, return by ordinary post the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any indemnity or indemnities provided in respect thereof) lodged with the Form of Acceptance to the relevant Independent Shareholder(s) at their own risks.

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

HONG KONG STAMP DUTY

Seller’s Hong Kong ad valorem stamp duty arising in connection with acceptances of the Offer will be payable by the relevant Independent Shareholders at a rate of 0.1% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher. The amount of such duty will be deducted from the cash amount payable by the Offeror to the relevant Independent Shareholders accepting the Offer. The Offeror will arrange for payment of the seller’s Hong Kong ad valorem stamp duty on behalf of the relevant Independent Shareholders accepting the Offer and pay the buyer’s Hong Kong ad valorem stamp duty in connection with the acceptance of the Offer and transfer of the Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

OVERSEAS SHAREHOLDERS

This Composite Document will not be filed under the applicable securities or equivalent legislation or rules of any jurisdiction other than Hong Kong.

The Offer is in respect of a company incorporated in the Cayman Islands and listed in Hong Kong and is therefore subject to the procedure and disclosure requirements of laws, regulations and rules in Hong Kong which may be different to those in other jurisdictions.

Independent Shareholders who are also Overseas Shareholders who wish to participate in the Offer are subject to, and may be limited by, the laws and regulations of their respective jurisdictions in connection with their participation in the Offer. Overseas Shareholders should observe any applicable legal and regulatory requirements and, where necessary, consult their own professional advisers.

It is the responsibility of each Overseas Shareholder who wishes to accept the Offer to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant overseas jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities or legal and regulatory requirements and the payment of any transfer or other taxes due by such Overseas Shareholder in respect of such overseas jurisdictions).

Each Overseas Shareholder who wishes to accept the Offer is also fully responsible for other taxes and duties by whomsoever payable in respect of all relevant jurisdictions. The Offeror and parties acting in concert with him, the Company, Emperor Corporate Finance, Emperor Securities, Lego Corporate Finance, the Registrar, their respective ultimate beneficial owners, directors, officers, agents and associates and any other person involved in the Offer shall be entitled to be fully indemnified and held harmless by such Overseas Shareholder for any taxes, imposts, duties or requisite payment as such Overseas Shareholder may be required to pay.

Acceptances of the Offer by any such person will be deemed to constitute a representation and a warranty by such person to the Offeror that all applicable local laws and requirements have been complied with and such person is permitted under all applicable laws and requirements to accept the Offer and any revision thereof, and such acceptances shall be valid and binding in accordance with all applicable laws and requirements.

TAX 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 Offer. None of the Offeror, parties acting in concert with the Offeror, the Company, Emperor Corporate Finance, Emperor Securities, Lego Corporate Finance, the Registrar and their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

GENERAL

- (a) All communications, notices, the Form of Acceptance, Share certificates, transfer receipts, other documents of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to be delivered by or sent to or from the Independent Shareholders will be delivered by or sent to or from them, or their designated agents, by ordinary post at their own risk. Such communications, notices, documents and remittances will be sent to the Independent Shareholders at their addresses as appeared in the register of members of the Company. None of the Offeror and parties acting in concert with him, the Company, Emperor Corporate Finance, Emperor Securities, Lego Corporate Finance, the

Registrar or any of their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offer will be responsible for any loss or delay in transmission or any other liabilities that may arise as a result thereof.

- (b) The provisions set out in the Form of Acceptance form part of the terms of the Offer.
- (c) Accidental omission to despatch this Composite Document and/or Form of Acceptance or any of them to any person to whom the Offer is made will not invalidate the Offer in any way.
- (d) The Offer is, and all acceptances will be, governed by and construed in accordance with the laws of Hong Kong.
- (e) Due execution of the Form of Acceptance will constitute an irrevocable authority to the Offeror and/or Emperor Corporate Finance (or such person or persons as the Offeror and/or Emperor Corporate Finance may direct) to complete and execute any document on behalf of the person accepting the Offer 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 has accepted the Offer.
- (f) Acceptance of the Offer by the Independent Shareholder will be deemed to constitute a representation and a warranty by such person(s) to the Offeror that such Shares acquired under the Offer are sold or tendered by the Independent Shareholder free from all Encumbrances or similar third party rights or claims of any kind and together with all rights accruing or attaching thereto on the date on which the Offer is made or subsequently becoming attached to them, including the right to receive in full all dividends and other distributions, if any, recommended, declared, made or paid by reference to a record date on or after the date on which the Offer is made, i.e., the date of despatch of this Composite Document.
- (g) References to the Offer in this Composite Document and in the Form of Acceptance shall include any extension and/or revision thereof.
- (h) Any Independent Shareholders accepting the Offer will be responsible for payment of any other transfer or cancellation or other taxes or duties payable by them in any relevant jurisdiction.
- (i) Save for the payment of seller's ad valorem stamp duty, settlement of the consideration to which any Independent Shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer without regard to any lien, right of setoff, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Independent Shareholder.

- (j) Acceptance of the Offer by any nominee will be deemed to constitute a representation and a warranty by such nominee to the Offeror that the number of the Shares it has indicated in the Form of Acceptance is the aggregate number of the Shares for which such nominee has received authorisations from the beneficial owners to accept the Offer on their behalf.
- (k) The English text of this Composite Document and the Form of Acceptance shall prevail over the Chinese text for the purpose of interpretation.
- (l) In making their decision, Independent Shareholders must rely on their own examination of the Group and the terms of the Offer, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained herein together with the Form of Acceptance, shall not be construed as any legal or business advice on the part of the Offeror, the Company, Emperor Corporate Finance, Emperor Securities, Lego Corporate Finance, the Registrar or their respective professional advisers. The Independent Shareholders should consult their own professional advisers for professional advice.
- (m) This Composite Document has been prepared for the purposes of compliance with the legislative and regulatory requirements applicable in respect of the Offer in Hong Kong and the operating rules of the Stock Exchange.

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

The following is a summary of the (i) audited consolidated financial results of the Group for each of the three years ended 31 December 2023 as extracted from the annual report of the Company for the year ended 31 December 2021 (“**2021 Annual Report**”), the annual report of the Company for the year ended 31 December 2022 (“**2022 Annual Report**”), and the annual report of the Company for the year ended 31 December 2023 (“**2023 Annual Report**”); and (ii) unaudited consolidated financial results of the Group for each of the six months ended 30 June 2023 and 2024 as extracted from the interim report of the Company for the six months ended 30 June 2023 (“**2023 Interim Report**”) and interim report for the six months ended 30 June 2024 (“**2024 Interim Report**”).

	For the year ended			For the six months ended	
	2023	2022	2021	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(Restated)			
Revenue	24,493	21,436	20,258	36,749	13,331
Cost of services	<u>(8,851)</u>	<u>(8,736)</u>	<u>(11,889)</u>	<u>(20,471)</u>	<u>(5,113)</u>
Gross profit	15,642	12,700	8,369	16,278	8,218
Other income, net	107	1,221	11,640	1	36
Administrative expenses	(10,498)	(6,433)	(21,002)	(5,769)	(3,385)
Research and development expenses	(11,396)	(8,585)	(5,083)	(5,954)	(5,500)
Selling and distribution expenses	(2,104)	(2,340)	(2,230)	(1,402)	(1,022)
Impairment loss on goodwill	(1,728)	(18,508)	-	-	-
Impairment loss on property, plant and equipment	(272)	-	-	-	-
Impairment loss on right-of-use assets	(1,278)	-	-	-	-
Impairment/(reversal of impairment) loss on trade receivables	<u>(67)</u>	<u>67</u>	<u>-</u>	<u>-</u>	<u>-</u>
Loss from operations	(11,594)	(21,878)	(8,306)	3,154	(1,653)
Finance costs	<u>(890)</u>	<u>(274)</u>	<u>(1,456)</u>	<u>(119)</u>	<u>(250)</u>
Profit/(Loss) before taxation from continuing operations	(12,484)	(22,152)	(9,762)	2,954	(1,903)
Income tax credit/(expense)	<u>100</u>	<u>105</u>	<u>(1,215)</u>	<u>-</u>	<u>-</u>
Profit/(loss) for the year from continuing operations	(12,384)	(22,047)	(10,977)	2,954	(1,903)
Discontinued operation					
Profit/(Loss) for the year/period from discontinued operation	3,049	76	(77,009)	-	(548)
Profit/(Loss) for the year/period	<u>(9,335)</u>	<u>(21,971)</u>	<u>(87,986)</u>	<u>2,954</u>	<u>(2,451)</u>
Profit/(Loss) per Share	HK\$(0.67)	HK\$(1.71)	HK\$(6.55)	HK\$0.23	HK\$(0.19)
	<u>cents</u>	<u>cents</u>	<u>cents</u>	<u>cents</u>	<u>cents</u>
Dividend per Share	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

There was no change in the accounting policy of the Group during each of the years ended 31 December 2021, 31 December 2022 and 31 December 2023 which would result in the figures in its consolidated financial statements being not comparable to a material extent.

Saved for the material uncertainty related to going concern disclosed below, the auditor's reports issued by Fan, Chan & Co. Limited, in respect of the audited consolidated financial statements of the Group for the years ended 31 December 2022 and 2023, and the auditor's report issued by Baker Tilly Hong Kong Limited, in respect of the audited consolidated financial statements of the Group for the year ended 31 December 2021, did not contain any modified opinion, emphasis of matter or material uncertainty related to going concern.

(i) For the financial year ended 31 December 2022

As set out in the auditor's report issued by Fan, Chan & Co. Limited, in respect of the audited consolidated financial statements of the Group for the year ended 31 December 2022, the Group incurred a net loss of HK\$21,325,000 and reported a net cash outflow of HK\$1,044,000 from operating activities, and as at 31 December 2022, the Group's net current liabilities and total current liabilities amounted to HK\$1,903,000 and HK\$13,926,000 respectively while its total cash and cash equivalents amounted to HK\$4,445,000. These conditions, along with other matters as set forth in note 2(b) to the consolidated financial statements of the Group for the year ended 31 December 2022, indicate the existence of a material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern. Fan, Chan & Co. Limited's opinion is not modified in respect of this matter.

(ii) For the financial year ended 31 December 2023

As set out in the auditor's report issued by Fan, Chan & Co. Limited, in respect of the audited consolidated financial statements of the Group for the year ended 31 December 2023, the Group incurred a net loss of HK\$9,335,000 and reported a net cash outflow of HK\$4,898,000 from operating activities, and as at 31 December, 2023, the Group's net current liabilities and total current liabilities amounted to HK\$3,183,000 and HK\$11,886,000 respectively while its total cash and cash equivalents amounted to HK\$3,198,000. These conditions, along with other matters as set forth in note 2(b) to the consolidated financial statements for the year ended 31 December 2023, indicate the existence of a material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern. Fan, Chan & Co. Limited's opinion is not modified in respect of this matter.

2. CONSOLIDATED FINANCIAL STATEMENTS

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 last published audited accounts, together with the significant accounting policies stated therein and the accompanying notes to the relevant published financial statements which are of major relevance to the appreciation of the above financial information.

The consolidated financial statements of the Group for the financial years ended 31 December 2021, 2022 and 2023 and for the six months ended 30 June 2023 and 2024 are set out in the following documents which have been published on the website of the Stock Exchange at <http://www.hkexnews.hk> and the Company's website at <https://www.wuxilife.com.hk/>.

- (i) for the year ended 31 December 2021, on pages 48 to 167 of the 2021 Annual Report released on 30 March 2022 at <https://www1.hkexnews.hk/listedco/listconews/gem/2022/0330/2022033000575.pdf>;
- (ii) for the year ended 31 December 2022, on pages 48 to 167 of the 2022 Annual Report Company released on 2 April 2023 at <https://www1.hkexnews.hk/listedco/listconews/gem/2023/0402/2023040200031.pdf>;
- (iii) for the year ended 31 December 2023, on pages 49 to 175 of the 2023 Annual Report Company released on 12 April 2024 at <https://www1.hkexnews.hk/listedco/listconews/gem/2024/0412/2024041200526.pdf>;
- (iv) for the six months ended 30 June 2023, on pages 2 to 28 of the 2023 Interim Report released on 11 August 2023 at <https://www1.hkexnews.hk/listedco/listconews/gem/2023/0811/2023081100726.pdf>;
- (v) for the six months ended 30 June 2024, on pages 2 to 29 of the 2024 Interim Report released on 9 August 2024 at <https://www1.hkexnews.hk/listedco/listconews/gem/2024/0809/2024080900451.pdf>

3. INDEBTEDNESS

At the close of business on 15 July 2024, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this Composite Document, the Group had outstanding borrowings of HK\$5.0 million and lease liabilities amounting to approximately HK\$0.8 million.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, the Group did not have at the close of business on 15 July 2024 any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchases commitments, guarantees or other material contingent liabilities.

4. MATERIAL CHANGE

Save as and except for disclosed below, the Directors confirm that there was no material change in the financial or trading position or outlook of the Group since 31 December 2023 (being the date to which the latest published audited financial statements of the Group were made up) up to and including the Latest Practicable Date:

- a. as disclosed in the 2024 Interim Report, recognising the growing significance of advertising e-commerce, the Company decided to launch and commence operation of its own advertising e-commerce platform “紫紅盒子” in 2024 which targets active online shoppers with personalized advertisements, being a combination of social media and sales channel which aim to develop an interactive application to foster franchising and brand development. The advertising e-commerce platform business of the Group performed satisfactorily and achieved the segment revenue of approximately HK\$15.6 million, and accounted for approximately 42.6% of the Group’s total revenue for the six months ended 30 June 2024 (the “1H2024”);
- b. as disclosed in the 2024 Interim Report, the Company commenced the business of sales of a wide spectrum of product categories, mainly including skin care products, agricultural products, gold jewelry, daily necessities, etc., on its own advertising e-commerce platform. The sales of products business achieved the segment revenue of approximately HK\$3.0 million and accounted for approximately 8.6% of the Group’s total revenue for 1H2024;
- c. according to the 2024 Interim Report, the Group recorded revenue from continuing operations of approximately HK\$36.7 million for the six months ended 30 June 2024, representing an increase of approximately 175.7% as compared to approximately HK\$13.3 million for the six months ended 30 June 2023 (the “1H2023”). The increase in revenue was mainly attributable to (i) the increase in segment revenue from software platform business from approximately HK\$13.3 million for 1H2023 to approximately HK\$17.9 million for 1H2024, representing an increase by approximately 34.5%, mainly due to the increased sales orders from existing and new customers of Software Platform Business; and (ii) the new segment revenue from advertising e-commerce platform business and sales of products business in relation to the newly launched e-commerce platform of the Group, namely 紫紅盒子, as aforementioned;

- d. according to the 2024 Interim Report, the Group recorded net profit from continuing operations of approximately HK\$3.0 million for 1H2024 and turned around from net loss of approximately HK\$2.5 million for 1H2023. This was mainly due to the increase in gross profit as a result of the increase in sales of the software platform business and the revenue from new segments, and partly set off by the increase in the administrative and other operating expenses mainly due to the increase in staff costs and administrative expenses incurred for the new business operation in the PRC, during 1H2024;
- e. according to the 2024 Interim Report, the Group recorded total assets of approximately HK\$37.8 million as at 30 June 2024, representing a significant increase of approximately 334.7% from approximately HK\$8.7 million as at 31 December 2023. Such increase was primarily attributable to (i) the increase in trade and other receivables, and cash and cash equivalents of approximately HK\$15.6 million and HK\$7.0 million as a result of the increased revenue from the software platform business for 1H2024; and (ii) the increase in inventories of the Group of approximately HK\$6.1 million from the sales of products business of the Group commenced in March 2024;
- f. according to the 2024 Interim Report, the Group recorded total liabilities of approximately HK\$39.4 million as at 30 June 2024, representing a significant increase of approximately 197.3% from approximately HK\$13.3 million as at 31 December 2023. Such increase was primarily attributable to (i) the increase in receipts in advance of approximately HK\$19.6 million from the new advertising e-commerce platform business and sales of products business of the Group; (ii) the increase in contract liabilities as a result of increased IT service contracts entered during the period; and (iii) the increase in amount due to a director of approximately HK\$1.2 million; and
- g. the Company conducted the capital reorganisation (including the share consolidation, the capital reduction and the share subdivision) which has become effective on 9 July 2024. Authorised share capital of the Company has become HK\$120,000,000 divided into 12,000,000,000 Shares of HK\$0.01 each, of which 127,264,000 Shares are in issue representing issued share capital of the Company of HK\$1,272,640.

RESPONSIBILITY STATEMENT

The information contained in this Composite Document relating to the Offeror, the terms of the Offer and the intentions of the Offeror in respect of the Group have been supplied by the Offeror. The Offeror accepts full responsibility for the accuracy of the information contained in this Composite Document (other than that relating to 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 Directors (excluding the Offeror in his capacity 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 statement in this Composite Document misleading.

DISCLOSURE OF INTERESTS IN THE COMPANY

As at the Latest Practicable Date, details of interests in the relevant securities of the Company held or controlled by the Offeror were as follows:

Name	Number of Shares held	% of interest
The Offeror and parties acting concert with it	269,458,150	70.58

Save as disclosed above, as at the Latest Practicable Date, the Offeror did not have any interest in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

DISCLOSURE OF OTHER INTERESTS AND DEALINGS IN SECURITIES OF THE COMPANY

As at the Latest Practicable Date:

- (a) save for the acquisition of 60,900,000 nil-paid Rights Shares at HK\$0.01 each by the Offeror and the subscription of 232,458,150 Rights Shares and as disclosed in the section headed “DISCLOSURE OF INTERESTS IN THE COMPANY” above, neither the Offeror nor any person acting in concert with him has dealt in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the Relevant Period;
- (b) save as disclosed in the section headed “DISCLOSURE OF INTERESTS IN THE COMPANY” above, neither the Offeror nor the parties acting in concert with him owned or had control or direction over any voting rights or rights over any Shares or convertible securities, warrants, options of the Company or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company as at the Latest Practicable Date;

- (c) no person had irrevocably committed himself to accept or reject the Offer;
- (d) save for the Facility, none of the Offeror or parties acting in concert with him had entered into any arrangement (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with any other persons as at the Latest Practicable Date;
- (e) there are no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror (or the parties acting in concert with him) has borrowed or lent during the Relevant Period;
- (f) there was no agreement, arrangement or understanding (including any compensation arrangement) exists between the Offeror or parties acting in concert with him and any Directors, recent Directors, Independent Shareholders or recent Independent Shareholders of the Company having any connection with or dependence upon the Offer;
- (g) save for the Facility granted by Emperor Securities to the Offeror, there was no agreement, arrangement or understanding that any securities acquired in pursuance of the Offer would be transferred, charged or pledged to any other persons;
- (h) there was no agreement or arrangement to which the Offeror 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 Offer;
- (i) no material contracts had been entered into by the Offeror in which any Director and the Company had a material personal interest;
- (j) no benefit (other than statutory compensation required under the applicable laws) had been or would be given to any Directors of the Company as compensation for loss of office or otherwise in connection with the Offer;
- (k) there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Offeror or the parties acting in concert with him on one hand, and the Company, and its concert parties on the other hand;
- (l) there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (1) any Independent Shareholder and (2)(a) the Offeror and/or the parties acting in concert with him or (b) the Company, its subsidiaries or associated companies;

- (m) save for the Offer Price, 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 him to any Independent Shareholder in connection with the Offer; and
- (n) save for the professional fee and fee incurred under the Facility, there is no other consideration, compensation or benefits in whatever form provided by the Offeror or parties acting in concert with him on one hand to Emperor Securities and parties acting in concert with him on the other hand.

EXPERT AND CONSENT

The following is the qualification of the expert whose letter or opinion is contained in this Composite Document:

Name	Qualification
Emperor Corporate Finance	a licensed corporation permitted to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO, the financial adviser to the Offeror in respect of the Offer

Emperor Corporate Finance 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 or opinion and/or references to its name in the form and context in which it appears.

DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the website of the SFC (www.sfc.hk) and on the website of the Company (www.wuxilife.com.hk) from the date of this Composite Document onwards for as long as the Offer remains open for acceptance:

- (i) the letter from Emperor Corporate Finance, the text of which is set out in this Composite Document;
- (ii) the written consent of Emperor Corporate Finance referred to in the paragraph headed “Expert and consent” in this Appendix; and
- (iii) the loan agreement dated 9 August 2024 entered into between the Offeror as borrower and Emperor Securities as lender for the granting of the Facility of up to HK\$14.7 million.

GENERAL

- (i) The correspondence address of the Offeror, is Room 101, Unit 2, Building 10, Xixi Jindi Fenghua Community, Wuchang Street, Yuhang District, Hangzhou, China.
- (ii) The main business address of Emperor Corporate Finance is 23/F, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong.
- (iii) In case of inconsistency, the English text of this Composite Document and the Form of Acceptance shall prevail over their respective Chinese texts.

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 Offer, the Offeror and the Group.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than information relating to the Offeror and parties acting in concert with him) 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 his capacity 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 statement in this Composite Document misleading.

2. SHARE CAPITAL

Share Capital as at the Latest Practicable Date:

<i>Authorised:</i>	<i>HK\$</i>
<u>12,000,000,000</u> Shares of HK\$0.01 each	<u>120,000,000</u>

Issued and fully paid:

<u>381,792,000</u> Shares of HK\$0.01 each	<u>3,817,920</u>
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All the issued Shares rank *pari passu* with each other in all respects including the rights as to voting, dividends and return of capital.

As at the Latest Practicable Date, save for the 381,792,000 Shares in issue, the Company does not have other class of securities, outstanding options, derivatives, warrants or other securities which are convertible or exchangeable into Shares. The issued Shares are listed and traded on the GEM of the Stock Exchange. None of the securities of the Company is listed or dealt in, and no listing and permission to deal in the securities of the Company is being or is proposed to be sought in, any other stock exchange.

As at the Latest Practicable Date, the Company had no outstanding options, warrants, derivatives or convertible securities in respect of the shares which were issued by the Company.

Save for the issuance of 254,528,000 Rights Shares upon completion of the Rights Issue, the Company has not issued any Shares since the end of the last financial year of the Company (i.e. 31 December 2023).

3. DISCLOSURE OF INTEREST

(a) Director's and chief executive's interest and short positions in shares and underlying shares and debentures of the Company of its associated corporations

Long position in the Shares and underlying shares of the Company

Name of Director	Capacity/ Nature of interest	Number of Existing Shares held/ interested	Approximate percentage of shareholding
The Offeror	Beneficial owner	269,458,150	70.58

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors, to be notified to the Company and the Stock Exchange.

(b) Interests of substantial Shareholders

As at the Latest Practicable Date, so far as is known to any of the Directors or the chief executive of the Company, the following persons (other than a Director and the chief executive of the Company as disclosed above) had interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO, who is interested in 5% or more of any class of share capital carrying right to vote at the general meetings of the Company.

Name of Director	Capacity/ Nature of interest	Number of Existing Shares held/ interested	Approximate percentage of shareholding
Ms. Zhang Jiahui	Interest of spouse	269,458,150 (Note)	70.58

Note: Ms. Zhang Jiahui is the spouse of Mr. Liu Guanzhou. Under the Securities and Futures Ordinance, Ms. Zhang is deemed to be interested in all the Company's shares in which Mr. Liu is interested.

The Board is not aware of (i) any other person who had any interests or short positions in the Shares or underlying Shares which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be required to be recorded in the register kept by the Company under section 336 of the SFO, nor (ii) any Director who was an employee or director of any substantial shareholder of the Company as at the Latest Practicable Date.

4. DEALINGS IN SECURITIES OF THE COMPANY AND THE OFFEROR

During the Relevant Period, save for the Offeror's subscription of the Rights Shares at the Subscription Price as disclosed below, none of the Directors have dealt for value in any Shares or any securities, convertible securities, warrants, options or derivatives in respect of any Shares or securities of the Company:

Date	Description
15 August 2024	Subscription of 232,458,150 Rights Shares by the Offeror

5. OTHER DISCLOSURE OF INTERESTS

During the Offer Period and ending on the Latest Practicable Date,

- (a) no Shares or any convertible securities, warrants, options or derivatives issued by the Company was owned or controlled by a subsidiary of the Company or by a pension fund (if any) of member of the Group or by any 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 (excluding exempt principal traders and exempt fund managers), and no such person had dealt for value in any Shares or any convertible securities, warrants, options or derivative issued by the Company;
- (b) no arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code exists between a person who owned or controlled Shares or any convertible securities, warrants, options or derivatives issued by the Company and the Company or 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 such person had owned, controlled or dealt for value in any Shares or any convertible securities, warrants, options or derivative issued by the Company;

- (c) no Shares, convertible securities, warrants, options or derivatives of the Company was managed on a discretionary basis by any fund managers (other than exempt fund managers) connected with the Company, and no such person had dealt for value in any Shares or any convertible securities, warrants, options or derivative issued by the Company;
- (d) none of the Company or the Directors had borrowed or lent any Shares, convertible securities, warrants, options or derivatives in respect of any Shares;
- (e) none of the Directors held any beneficial shareholdings in the Company which would otherwise entitle them to accept or reject the Offer; and
- (f) there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between any Shareholder on one hand, and the Company, its subsidiaries or associated companies on the other hand.

As at the Latest Practicable Date,

- (a) no benefit (other than statutory compensation) was or would be given to any Director as compensation for loss of office or otherwise in connection with the Offer;
- (b) there was no agreement or arrangement between any Director and any other person which was conditional on or dependent upon the outcome of the Offer or otherwise connected with the Offer; and
- (c) no material contracts had been entered into by the Offeror in which any Director had a material personal interest.

6. MATERIAL CONTRACTS

Save for the sale and purchase agreement dated 14 December 2023 entered into between the Company and Emperor Capital Investment Holdings Limited, an Independent Third Party, in relation to the disposal of the entire equity interest of Major Worldwide Holdings Limited at a consideration of HK\$6.0 million, there was no contract entered into by members of the Group within the two years immediately preceding 14 August 2024 (date of commencement of the Offer Period) which are or may be material.

7. GENERAL

- (a) The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681 Grand Cayman KY1-1111, Cayman Islands.
- (b) The Head Office and principal place of business of the Company in Hong Kong is Room H, 2/F, Manson Industrial Building, 8 A Kung Ngam Village Lane, Shaukeiwan, Hong Kong.
- (c) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (d) The main business address of Lego Corporate Finance is situated at Room 1505, 15/F, Wheelock House, 20 Pedder Street, Central, Hong Kong.
- (e) The English text of this Composite Document and the accompanying Form of Acceptance shall prevail over their Chinese text for the purpose of interpretation.

8. MARKET PRICE

The table below shows the closing price of the Shares quoted on the Stock Exchange on (i) the Latest Practicable Date; (ii) 9 August 2024, being the Last Trading Day; and (iii) the last trading day of each of the calendar months during the Relevant Period:

Date	Closing price per Share (HK\$)
29 February 2024	0.175
28 March 2024	0.175
30 April 2024	0.133
31 May 2024	0.158
28 June 2024	0.217
31 July 2024	0.128
9 August 2024 (being the Last Trading Day)	0.138
Latest Practicable Date	0.188

During the Relevant Period, the highest closing price of the Shares was HK\$0.225 per Share as quoted on the Stock Exchange on 24 June 2024 and 25 June 2024 and the lowest closing price of the Shares was HK\$0.122 per Share as quoted on the Stock Exchange on 1 August 2024.

9. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into a service contract with any member of the Group or the associated companies of the Company which:

- (i) have been entered into or amended (including both continuous and fixed term contracts) within 6 months prior to the commencement of the Offer Period;
- (ii) are continuous contracts with a notice period of 12 months or more; or
- (iii) are fixed term contracts with more than 12 months to run irrespective of the notice period.

10. EXPERT AND CONSENT

The following is the qualification of the expert whose letter or opinion is contained in this Composite Document:

Name	Qualification
Lego Corporate Finance	a licensed corporation permitted to carry out Type 6 (advising on corporate finance) regulated activities as defined under the SFO

Lego Corporate Finance has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion of the text of its letters or opinions and/or references to its name in the form and context in which it appears.

11. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

12. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the website of the SFC (www.sfc.hk) and on the website of the Company (www.wuxilife.com.hk) from the date of this Composite Document up to and including the Closing Date:

- (a) the memorandum of association and articles of association of the Company;
- (b) the annual reports of the Company for the three financial years ended 31 December 2021, 2022 and 2023;
- (c) the interim report of the Company for the six months ended 30 June 2023 and 2024;
- (d) the letter from the Board, the text of which is set out in this Composite Document;
- (e) the letter from the Independent Board Committee, the text of which is set out in this Composite Document;
- (f) the letter from Lego Corporate Finance, the Independent Financial Adviser, the text of which is set out in this Composite Document;
- (g) the material contracts referred to in the paragraph headed “6. Material Contracts” in this Appendix; and
- (h) consent referred to under the paragraph headed “10. Expert and Consent” in this Appendix.