



Shunten International (Holdings) Limited

順騰國際(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 932)

Executive Director:

Mr. CHEUNG Siu Fai (*Chairman*)

Non-executive Director:

Ms. SO Tsz Kwan

Independent Non-executive Directors:

Mr. LEUNG Winson Kwan Yau

Ms. DONG Jian Mei

Mr. LAM Chik Shun Marcus

Registered office:

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P.O. Box 2681

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Cayman Islands

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

Unit D, 7/F, KC100

100 Kwai Cheong Road

Kwai Chung

New Territories

Hong Kong

14 October 2025

To the Independent Shareholders

Dear Sir or Madam,

**MANDATORY CONDITIONAL CASH OFFER BY
PRIME SECURITIES LIMITED
ON BEHALF OF LEADING VIRTUE HOLDINGS LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF
SHUNTEN INTERNATIONAL (HOLDINGS) LIMITED
(OTHER THAN THOSE SHARES
ALREADY OWNED AND/OR AGREED TO BE ACQUIRED BY
THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

Reference is made to the Joint Announcement.

On 12 September 2025, the Offeror and Mr. Cheung, each as the Purchaser, and Prosper Rich and Hammer Capital Consulting, each as the Seller, entered into the Sale and Purchase Agreement. Pursuant to the Sale and Purchase Agreement, (i) the Offeror has agreed to acquire 552,982,240 Shares from Prosper Rich for a consideration of HK\$13,271,573 and 181,057,793 Shares from Hammer Capital Consulting for a consideration of HK\$4,345,387, representing a total of 734,040,033 Shares for a total consideration of HK\$17,616,960; and (ii) Mr. Cheung has agreed to acquire 32,000,000 Shares from Hammer Capital Consulting for a consideration of HK\$768,000. The Sale Shares, totalling 766,040,033 Sale Shares represent approximately 24.65% of the Company's total issued share capital. The aggregate consideration for the Sale Shares is HK\$18,384,960, equivalent to approximately HK\$0.024 per Sale Share.

Completion and settlement of the aggregate consideration for the Sale Shares of HK\$18,384,960 thereunder took place on the same date of the Sale and Purchase Agreement, being 12 September 2025. Immediately before Completion and after completion of the Prosper Rich Disposal, the Offeror and parties acting in concert with it (excluding 552,982,240 Shares owned by Prosper Rich, a Seller and a party presumed to be acting in concert with the Offeror prior to the Completion) owned 750,494,000 Shares (representing approximately 24.15% of the total issued Shares). Immediately following Completion and as at the Latest Practicable Date, the Offeror and parties acting in concert with it are interested in 1,516,534,033 Shares (representing approximately 48.80% of the total issued Shares).

The purpose of this Composite Document (of which this letter forms part) is to provide you with, among other things, (i) information relating to the Group, the Offeror and the Offer; (ii) the letter from Prime Securities containing details of the Offer; (iii) the letter from the Independent Board Committee containing its recommendations to the Independent Shareholders in relation to the Offer; and (iv) the letter from the Independent Financial Adviser containing its advice to the Independent Board Committee in respect of the Offer, in particular, as to whether the Offer is fair and reasonable so far as the Independent Shareholders are concerned and as to acceptance of the Offer.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 2.1 of the Takeovers Code, the Independent Board Committee, comprising all the independent non-executive Directors, namely, Mr. Leung Winson Kwan Yau, Ms. Dong Jian Mei and Mr. Lam Chik Shun Marcus, has been established to advise the Independent Shareholders as to whether the Offer is fair and reasonable and as to acceptance of the Offer.

The non-executive Director, Ms. So Tsz Kwan ("**Ms. So**"), has not been included in the Independent Board Committee as Ms. So has been serving as vice president at Ruima Hong Kong Limited, a company controlled by Ms. Leung Lisa, and is therefore not independent in relation to the Offer.

Altus Capital has been appointed as the Independent Financial Adviser with the approval of the Independent Board Committee to advise the Independent Board Committee in respect of the Offer and, in particular, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer pursuant to Rule 2.1 of the Takeovers Code.

The full texts of the letter from the Independent Board Committee addressed to the Independent Shareholders and the letter from the Independent Financial Adviser addressed to the Independent Board Committee are set out in this Composite Document. **You are advised to read both letters and the additional information contained in the appendices to this Composite Document carefully before taking any action in respect of the Offer.**

PRINCIPAL TERMS OF THE OFFER

Prime Securities is making the Offer on behalf of the Offeror in compliance with the Takeovers Code on the following basis:

For each Offer Share. HK\$0.024 in cash

The Offer Price of HK\$0.024 is equal to the price per Sale Share paid by the Purchasers to the Sellers under the Sale and Purchase Agreement.

The Offer is subject to the fulfillment of the Condition as set out under the paragraph headed “Condition to the Offer” in this letter.

The Offer is extended to all Shareholders other than the Offeror and parties acting in concert with it 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 and interests attaching thereto, including all rights to any dividends or other distributions declared, made or paid on or after the date on which the Offer is made, being the date of the despatch of this Composite Document. As at the Latest Practicable Date there is no dividend or distributions declared and which remain unpaid, and the Company has no intention to declare, make or pay any dividend or distribution up to the close or lapse of the Offer.

As at the Latest Practicable Date, the Company has 3,107,893,440 Shares in issue. There are no outstanding Shares, 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).

Condition to the Offer

The Offer is conditional upon valid acceptances of the Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the date of closing of the Offer announced in this Composite Document, i.e. 4 November 2025 (or such later time or date as the Offeror may, subject to the Takeovers Code, decide) in respect of the Offer Shares which, together with Shares already owned by the Offeror and parties acting in concert with it and acquired before or during the Offer Period, will result in the Offeror and parties acting in concert with it holding in aggregate more than 50% of the voting rights of the Company.

This condition cannot be waived. If the condition cannot be fulfilled by the First Closing Date, the Offer will lapse unless extended.

The Offeror will issue an announcement in relation to the revision, extension or lapse of the Offer or the fulfilment of such condition in accordance with the Takeovers Code and the Listing Rules.

Further Details of the Offer

Further details of the Offer, including, among other things, its extension to the Overseas Shareholders, information on taxation, the terms and conditions and the procedures for acceptance and settlement and acceptance period can be found in the “Letter from Prime Securities” and Appendix I “Further Terms and Procedures for Acceptance of the Offer” to this Composite Document and the accompanying Form of Acceptance.

INFORMATION ON THE GROUP

The Company is a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange. The Group is principally engaged in the sale, marketing and distribution of health and beauty supplements and products and property investment in Hong Kong.

Set out below is certain financial information from the audited consolidated results of the Group for each of the two financial years ended 31 March 2025 and 2024, as extracted from the annual report of the Company for the year ended 31 March 2025.

	For the year ended	
	31 March	31 March
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Audited)</i>	<i>(Audited)</i>
Revenue		
— Health and beauty supplements and products business	199,918	230,580
— Property investment business	<u>5,130</u>	<u>5,006</u>
	<u>205,048</u>	<u>235,586</u>
(Loss)/profit before income tax	(33,368)	4,574
Net (loss)/profit	<u>(36,243)</u>	<u>518</u>

	As at	
	31 March 2025	31 March 2024
	HK\$'000	HK\$'000
	(Audited)	(Audited)
Total assets	288,904	344,334
Total liabilities	153,559	172,726
Net assets	135,345	171,608
Net assets attributable to owners of the Company	<u>136,624</u>	<u>172,887</u>

The Group's revenue is derived from two business segments, namely (i) the health and beauty supplements and products business, which involves development, manufacturing and sales of health and beauty supplements and products; and (ii) the property investment business in respect of leasing of investment properties.

The Group's health and beauty supplements and products are sold under the proprietary brands developed and managed by the Group ("**Proprietary Brands**") and a private label brand specifically developed for and owned by a renowned retail chain of health and beauty products in Hong Kong and Macau ("**Private Label Brand**"). The major Proprietary Brands include "Royal Medic", "Legend", "MeltyEnz", "CleansingEnz", "La Gusto", "Prof Health", "HARUKA" and "Mr. 75", and the Private Label Brand is "Health Proof". The Group mainly sells and distributes its products through a renowned local retail chain distributor, the Group's special designated counters, the Hong Kong Brands and Products Expo, the Group's own e-commerce online platform and designated cross-border e-commerce platforms in Mainland China.

For the years ended 31 March 2024 ("**FY2024**") and 2025 ("**FY2025**"), the health and beauty supplements and products business accounted for over 97% of the Group's total revenue and it reported a decline in revenue of approximately 13.3% from approximately HK\$230.6 million for FY2024 to approximately HK\$199.9 million for FY2025, which was driven by the weak local retail market conditions and consumer sentiment in Hong Kong and Macau as well as the reduction of spending power and the change in consumption pattern of visitors.

The Group holds various commercial, industrial and residential properties in Hong Kong for investment holding and leasing purposes and the revenue from the property investment business for FY2025 and FY2024 were approximately HK\$5.1 million and approximately HK\$5.0 million, respectively.

Overall, the Group's revenue declined by approximately 13.0% to approximately HK\$205.0 million in FY2025. For FY2025, the Group generated a loss attributable to owners of the Company of approximately HK\$36.2 million as compared to profit of approximately HK\$0.5 million for FY2024, mainly due to reduced revenue from the health and beauty supplements and products business and an unrealised fair value loss on investment properties of approximately HK\$30.4 million in FY2025, up from approximately HK\$15.0 million in FY2024, reflecting continued weakness in Hong Kong's property market.

Further financial information and general information in relation to the Group are set out in Appendix II “Financial Information of the Group” and Appendix V “General Information of the Group” to this Composite Document. The valuation report on the properties of the Group is set out in the Appendix III “Valuation Report on Properties of the Group” to this Composite Document.

Shareholding Structure of the Company

The following table sets out the shareholding structure of the Company (i) immediately before the Prosper Rich Disposal (as defined in Appendix IV); (ii) after the Prosper Rich Disposal and immediately before Completion; and (iii) immediately after Completion, as at the Latest Practicable Date and before the Offer (assuming no other changes to the issued share capital of the Company from the Latest Practicable Date):

Shareholders	Immediately before the Prosper Rich Disposal		After the Prosper Rich Disposal and immediately before Completion		Immediately after Completion, as at the Latest Practicable Date and before the Offer	
	Number of Shares	<i>Approximate percentage of shareholding in the total issued Shares</i>	Number of Shares	<i>Approximate percentage of shareholding in the total issued Shares</i>	Number of Shares	<i>Approximately percentage of shareholding in the total issued Shares</i>
Purchasers						
— Leading Virtue ⁽¹⁾	723,242,000	23.27%	723,242,000	23.27%	1,457,282,033	46.89%
— Mr. Cheung	<u>27,252,000</u>	<u>0.88%</u>	<u>27,252,000</u>	<u>0.88%</u>	<u>59,252,000</u>	<u>1.91%</u>
Subtotal of the Offeror and parties acting in concert with it (excluding Prosper Rich)	750,494,000	24.15%	750,494,000	24.15%	1,516,534,033	48.80%
Sellers						
— Prosper Rich ⁽²⁾⁽³⁾⁽⁴⁾	718,804,033	23.13%	552,982,240	17.79%	—	—
— Hammer Capital Consulting ⁽²⁾⁽³⁾⁽⁴⁾	<u>47,236,000</u>	<u>1.52%</u>	<u>213,057,793</u>	<u>6.86%</u>	<u>—</u>	<u>—</u>
	766,040,033	24.65%	766,040,033	24.65%	—	—
Public	<u>1,591,359,407</u>	<u>51.20%</u>	<u>1,591,359,407</u>	<u>51.20%</u>	<u>1,591,359,407</u>	<u>51.20%</u>
Total	<u>3,107,893,440</u>	<u>100.00%</u>	<u>3,107,893,440</u>	<u>100.00%</u>	<u>3,107,893,440</u>	<u>100.00%</u>

Notes:

1. Leading Virtue (i.e. the Offeror) is wholly-owned by Mr. Cheung.
2. Both Hammer Capital Consulting and Prosper Rich are wholly-owned by Ms. Leung Lisa.
3. Upon the sale of the Shares by Prosper Rich and Hammer Capital Consulting under the Sale and Purchase Agreement, Prosper Rich and the Offeror are no longer presumed to be acting in concert under Class (1) of the presumptions of acting in concert nor are they acting in concert as a matter of fact in respect of the Company.
4. Ms. Leung Lisa and/or her controlled companies (including Hammer Capital Consulting and Prosper Rich) are not parties acting in concert with Mr. Cheung and/or his controlled companies (including the Offeror) as a matter of fact in respect of the Company.
5. Save for Mr. Cheung, none of the Directors hold any Shares.

INFORMATION ON THE OFFEROR

Your attention is drawn to the section headed “Information on the Offeror” in the “Letter from Prime Securities” and Appendix IV “General Information of the Offeror” to this Composite Document.

INTENTION OF THE OFFEROR IN RELATION TO THE GROUP

Your attention is drawn to the section headed “Intention of the Offeror in relation to the Group” in the “Letter from Prime Securities” to this Composite Document and the following disclosure as extracted therefrom:

The Board is pleased to note that, following the completion of the Offer, the Offeror intends to continue the existing businesses of the Group. The Offeror has no intention to (i) acquire new business for the Group; (ii) introduce any major changes to, dispose of or downsizing the existing business and operation of the Group; (iii) discontinue the employment of any employees of the Group or to make significant changes to any employment; (iv) dispose of or re-deploy the fixed assets of the Company other than those in its ordinary and usual course of business; or (v) to nominate or appoint new Directors to the Board. However, the Offeror will continuously review the business of the Group and the Offeror reserves the right to make such changes that it deems necessary or appropriate to the Group’s business and operations to optimise the value of the Group.

The Board has noted the intentions of the Offeror in respect of the Group and its employees and will render cooperation and support to the Offeror.

Public Float and Maintaining the Listing Status of the Company

As stated in the “Letter from Prime Securities”, the Offeror intends to maintain the listing of the Shares on the Stock Exchange.

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

- (i) a false market exists or may exist in the trading of the Shares; or
- (ii) 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 sole director of the Offeror has undertaken to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Company’s Shares.

RECOMMENDATION

Your attention is drawn to (i) “Letter from Prime Securities” as set out on pages 5 to 12 of this Composite Document, (ii) “Letter from the Independent Board Committee” as set out on pages 21 to 22 to this Composite Document, which contains its advice and recommendation to the Independent Shareholders in respect of the Offer and (iii) “Letter from the Independent Financial Adviser” as set out on pages 23 to 46 of this Composite Document, which contains, among other things, its advice to the Independent Board Committee in relation to the Offer and the principal factors considered by it before arriving at its recommendation.

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 “Further Terms and Procedures for 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,
By order of the Board
Shunten International (Holdings) Limited

A stylized, handwritten signature in black ink, consisting of several loops and a long horizontal stroke.

CHEUNG Siu Fai
Chairman and Executive Director