



SOMERLEY CAPITAL LIMITED

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11 March 2025

To the Shareholders

Dear Sir or Madam,

**THE CONDITIONAL VOLUNTARY CASH PARTIAL OFFER BY
SOMERLEY CAPITAL LIMITED
FOR AND ON BEHALF OF
ALTERNATIVE LIQUIDITY INDEX, LP
TO ACQUIRE A MAXIMUM OF 85,261,250 SHARES IN
CHINA LONGEVITY GROUP COMPANY LIMITED (STOCK CODE: 1863)
(A COMPANY INCORPORATED IN THE CAYMAN ISLANDS WITH LIMITED
LIABILITY)**

INTRODUCTION

Reference is made to the Announcement.

On 10 February 2025 (after trading hours), the Offeror notified the Offeree Company of its firm intention to make the Partial Offer (in compliance with the Takeovers Code) to acquire a minimum of 8,526,125 Offer Shares (representing approximately 1% of the Offeree Company's issued share capital as at the Latest Practicable Date) and a maximum of 85,261,250 Offer Shares (representing approximately 10% of the Offeree Company's issued share capital as at the Latest Practicable Date) at the Offer Price of HK\$0.01 per Offer Share.

The making of the Partial Offer was subject to the satisfaction of the Pre-Condition, being (i) the obtaining of consent from the Executive in respect of the Partial Offer pursuant to Rule 28.1 of the Takeovers Code; and (ii) the obtaining of a waiver from requirement under Rule 28.7 of the Takeovers Code from the Executive in connection with the making of the Partial Offer for a specified range (rather than a precise number) of Shares. As disclosed in the announcement of the Offeror dated 7 March 2025 in relation to the update on the Partial Offer, the Offeror announced that the Pre-Condition had been satisfied on 7 March 2025. The Partial Offer is further subject to the fulfilment of the Condition as set out in the section headed "Condition to the Partial Offer" of this Offer Document.

As at the Latest Practicable Date, the Offeror and parties acting in concert with it were not interested directly or indirectly in any voting rights or rights over any Shares, convertible securities, warrants or options of the Offeree Company or any derivatives in respect of such securities.

As at the Latest Practicable Date, the Offeree Company has 852,612,470 Shares in issue. The Offeree Company does not have any outstanding options, derivatives, warrants or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) which are convertible or exchangeable into Shares, nor has it entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares.



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

Principal terms of the Partial Offer

The Partial Offer is being made by Somerley Capital, for and on behalf of the Offeror, in compliance with the Takeovers Code on the basis set out below:

For each Offer Share HK\$0.01 in cash

The Offer Price of HK\$0.01 per Share was determined after taking into account, among other things, various qualitative and quantitative factors and the exceptional circumstances of the Offeree Company. In particular, the following matters were considered:

- (i) the Offer Shares have been suspended from trading for over a decade since 14 February 2013. The suspension appears to be due to, without limitation, irregularities and qualified opinions on financial statements of the Offeree Company arising from material inaccuracies and discrepancies identified as well as subsequent enforcement actions, including a “show cause letter” from the SFC (the “**Material Issues**”);
- (ii) the Offeree Company may fail to resolve the Material Issues or comply with the resumption guidance of the Stock Exchange and relevant Listing Rules with the consequential risk of delisting of the Offer Shares from the Stock Exchange;
- (iii) the Offeree Company may potentially be subject to material penalties or other adverse consequences arising from the enforcement actions that may be taken by the SFC, which may have an adverse impact on the reputation and financial position of the Offeree Company;
- (iv) the Offeree Company has not declared or paid any dividends since 2012, despite reporting profits;
- (v) the Offeror, in its internal assessment, has applied an estimated liquidation discount to the assets of the Offeree Company set out in its unaudited balance sheet as at 30 June 2024 (which was not reviewed by the auditors) and further notes substantial bank loans in the amount of approximately RMB622 million as at that date, guaranteed by the ultimate shareholder; and
- (vi) the Offeror has incurred and is incurring significant professional and other costs in making the Partial Offer.

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



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

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

Pre-Condition to the Partial Offer

As disclosed in the Announcement, the making of the Partial Offer was subject to:

- (i) the obtaining of consent from Executive for the Partial Offer under Rule 28.1 of the Takeovers Code; and
- (ii) the obtaining of a waiver from requirement under Rule 28.7 of the Takeovers Code from the Executive in connection with the making of the Partial Offer for a specified range (rather than a precise number) of Shares.

As disclosed in the announcement of the Offeror dated 7 March 2025 in relation to the update on the Partial Offer, the Offeror announced that the Pre-Condition had been satisfied on 7 March 2025.

Condition to the Partial Offer

The Partial Offer is subject to the Condition that valid acceptances are received (and not, where permitted, withdrawn) in respect of a minimum of 8,526,125 Offer Shares at or before 4:00 p.m. (Hong Kong time) on the First Closing Date which shall be at least 28 days after the Despatch Date of the Offer Document issued by the Offeror in respect of the Partial Offer, or such later date as may be extended by the Offeror in accordance with the requirements of the Takeovers Code and with the consent of the Executive.

In the event that valid acceptances are received:

- (i) for less than the required number of 8,526,125 Offer Shares by the First Closing Date, unless the First Closing Date is extended in accordance with the requirements of the Takeovers Code and with the consent of the Executive, the Partial Offer will not proceed and will lapse immediately; and
- (ii) for not less than the required number of 8,526,125 Offer Shares on or before the First Closing Date, the Offeror will declare the Partial Offer unconditional as to acceptances on or before the First Closing Date.

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



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

Accordingly, if the Partial Offer is declared unconditional in all respects on or before the 14th day after the Despatch Date, then the Final Closing Date would be on (but no earlier than) the First Closing Date, being at least 28 days after the Despatch Date. If the Partial Offer is declared unconditional in all respects later than the 14th day after the Despatch Date, the Final Closing Date would be at least 14 days after the date of such declaration.

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

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

Comparison of value for the Offer Price

Trading in the Shares has been suspended since 14 February 2013. Accordingly, where reference is made below to a comparison of the Offer Price to closing prices of Shares, the relevant closing prices of the Shares are those relating to the period preceding the suspension of trading in the Shares over ten years ago.

The Offer Price of HK\$0.01 per Offer Share represents:

- (i) a discount of approximately 99.3% to the closing price of HK\$1.37 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 99.3% to the closing price of HK\$1.37 per Share as quoted on the Stock Exchange on 10 February 2025, being the last business day before the Offer Period;
- (iii) a discount of approximately 99.3% to the closing price of HK\$1.37 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iv) a discount of approximately 99.3% to the closing price of HK\$1.49 per Share as quoted on the Stock Exchange on the Last Full Trading Day;
- (v) a discount of approximately 99.3% to the average of the closing prices of the Shares of approximately HK\$1.52 as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Full Trading Day;
- (vi) a discount of approximately 99.4% to the average of the closing prices of the Shares of approximately HK\$1.54 as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Full Trading Day;



- (vii) a discount of approximately 99.4% to the average of the closing prices of the Shares of approximately HK\$1.61 as quoted on the Stock Exchange for the last thirty consecutive trading days up to and including the Last Full Trading Day;
- (viii) a discount of approximately 98.8% to the audited consolidated net asset value per Share attributable to the Shareholders of approximately HK\$0.85 per Share as at 31 December 2023, calculated based on the audited consolidated net asset value of the Offeree Company attributable to the Shareholders of approximately RMB676,424,000 as at 31 December 2023 and 852,612,470 Shares in issue as at the Latest Practicable Date, and a RMB: HKD forex rate of 1:1.0729 as quoted by Bloomberg as at 12 noon (Hong Kong time) on the Latest Practicable Date; and
- (ix) a discount of approximately 98.9% to the unaudited consolidated net asset value per Share attributable to the Shareholders of approximately HK\$0.88 per Share as at 30 June 2024, calculated based on the unaudited consolidated net asset value of the Offeree Company attributable to the Shareholders of approximately RMB696,584,000 as at 30 June 2024 and 852,612,470 Shares in issue as at the Latest Practicable Date, and a RMB: HKD forex rate of 1:1.0729 as quoted by Bloomberg as at 12 noon (Hong Kong time) on the Latest Practicable Date.

Highest and lowest Share prices

The Shares have been suspended from trading since 14 February 2013 (i.e. the Last Trading Day) and over the Relevant Period. During the period commencing 6 months before the Last Trading Day and up to and including the Latest Practicable Date:

- (i) the highest closing price of the Shares as quoted on the Stock Exchange was HK\$1.93 per Share on 23 and 24 August 2012; and
- (ii) the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$1.31 per Share on 17 December 2012.

Total value of the Partial Offer

Based on the Offer Price of HK\$0.01 per Offer Share, assuming valid acceptances of the Partial Offer for:

- (i) the required minimum number of 8,526,125 Offer Shares have been tendered by the Qualifying Shareholders, the total cash consideration payable by the Offeror to purchase the 8,526,125 Offer Shares from the Qualifying Shareholders under the Partial Offer will be HK\$85,261.25; and
- (ii) the maximum number of 85,261,250 Offer Shares have been tendered by the Qualifying Shareholders, the total cash consideration payable by the Offeror to purchase the 85,261,250 Offer Shares from the Qualifying Shareholders under the Partial Offer will be HK\$852,612.50.



Financial resources available to the Offeror

The Offeror will finance the consideration payable under the Partial Offer through its internal resources. Somerley Capital, as the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the maximum consideration payable by the Offeror under the Partial Offer.

Acceptance of the Partial Offer

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

Qualifying Shareholders may accept the Partial Offer in respect of some or all of the Shares held by them. Subject to the Partial Offer becoming unconditional in all respects, (a) if valid acceptances are received for an amount no less than 8,526,125 Offer Shares (being the minimum number required for the Partial Offer to become unconditional) but no more than the maximum of 85,261,250 Offer Shares on the Final Closing Date, the total number of Offer Shares to be taken up by the Offeror from each accepting Qualifying Shareholder will be equal to the total number of Offer Shares tendered for acceptance by such accepting Qualifying Shareholder; or (b) if valid acceptances are received for more than the maximum number of Offer Shares on the Final Closing Date, the total number of Offer Shares to be taken up by the Offeror from each accepting Qualifying Shareholder will be determined by the total number of Offer Shares tendered for acceptance in accordance with the following formula (the "Formula"):

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

- A = the maximum number of Offer Shares under the Partial Offer (i.e. 85,261,250 Offer Shares)
- B = the total number of Offer Shares validly tendered for acceptance by all Qualifying Shareholders under the Partial Offer
- C = the number of Offer Shares tendered for acceptance by the relevant individual Qualifying Shareholder under the Partial Offer

Partial nature of the Partial Offer and effect of fractions

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

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



Odd lots

Shareholders should note that acceptance of the Partial Offer may result in holding odd lots of Shares. Accordingly, Halcyon Securities Limited, the address of which is Rm 3401, 34/F Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (telephone number: 852-3970 0963, office hours: 9:00 a.m. to 5:00 p.m.) has been appointed by the Offeror to match sales and purchases of odd lot holdings of Shares on a best efforts basis for a period of six weeks following the close of the Partial Offer, on the basis of the indicative expected timetable set out on page v for the period from Wednesday, 23 April 2025 to Wednesday, 4 June 2025, both days inclusive, to assist such Shareholders in disposing their odd lots or to top up their odd lots to whole board lots. Shareholders should note that as the trading of the Shares has been suspended, the off-market matching of odd lots will be conducted on a best efforts basis and transaction costs (such as potential fees for the withdrawal of physical share certificate(s) imposed by the relevant securities broker with which the Shares are held, as well as the fees for handling the bought and sold notes to effect the sale and purchase of odd lot holdings of the Shares) may apply.

Effect of accepting the Partial Offer

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

Based on the published information of the Offeree Company available to the public as at the Latest Practicable Date, there has been no dividend or distribution declared by the Offeree Company for the financial years ended 31 December 2023 and 31 December 2024 up to the Latest Practicable Date.

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

Settlement of consideration

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

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



Hong Kong stamp duty

The seller's Hong Kong ad valorem stamp duty arising in connection with acceptance of the Partial Offer will be borne by the Offeror.

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

Return of documents

If the Partial Offer does not become, or is not declared, unconditional in all respects within the time permitted by the Takeovers Code, or is withdrawn or lapsed, the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) received by the Receiving Agent will be returned to persons who have accepted the Partial Offer by ordinary post at his/her own risk as soon as possible but in any event no later than seven (7) business days after the Partial Offer is withdrawn or lapsed.

If part of the Shares tendered by the Qualifying Shareholders are not taken up by the Offeror under the Partial Offer, the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) (if applicable) for the Shares not taken up by the Offeror will be returned to persons who have accepted the Partial Offer by ordinary post at his/her own risk as soon as possible but in any event no later than seven (7) business days following the Final Closing Date.

Taxation advice

Qualifying Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Partial Offer. None of the Offeror and parties acting in concert with it, Somerley Capital and their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Partial Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Partial Offer.

Overseas Shareholders

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



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

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

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

Assuming that (i) there will be no change to the issued share capital of the Offeree Company; and (ii) no other change to the shareholding between the Latest Practicable Date and up to the Final Closing Date, the shareholding structure of the Offeree Company, as at the Latest Practicable Date and immediately upon completion of the Partial Offer in the event (a) the maximum of 85,261,250 Offer Shares are tendered by Qualifying Shareholders and each Qualifying Shareholder has tendered an approximately 10% (i.e. 85,261,250 divided by 852,612,470) of his or her holdings of Shares for acceptance under the Partial Offer; and (b) the minimum of 8,526,125 Offer Shares for the Partial Offer to become unconditional are tendered by Qualifying Shareholders and each Qualifying Shareholder has tendered an approximately 1% (i.e. 8,526,125 divided by 852,612,470) of his or her holdings of Shares for acceptance under the Partial Offer, is illustrated in the table below:



Name of shareholders of the Offeree Company	Notes	As at the Latest Practicable Date		Immediately upon completion of the Partial Offer in the event that the maximum of 85,261,250 Offer Shares have been tendered by Qualifying Shareholders for acceptance under the Partial Offer		Immediately upon completion of the Partial Offer in the event that 8,526,125 Offer Shares (being the minimum number required to be tendered for the Partial Offer to become unconditional) have been tendered by Qualifying Shareholders for acceptance under the Partial Offer	
		No. of Shares	%	No. of Shares	%	No. of Shares	%
Hopeland International Holdings Company Limited ("Hopeland International")	1	410,886,000	48.19	369,797,399	43.37	406,777,140	47.71
Glory Bright Investments Enterprise Limited ("Glory Bright")	2	59,011,000	6.92	53,109,900	6.23	58,420,890	6.85
The Offeror and parties acting in concert with it	3	-	-	85,261,250	10.00	8,526,125	1.00
Other public shareholders		382,715,470	44.89	344,443,921	40.40	378,888,315	44.44
Total:		852,612,470	100.00	852,612,470	100.00	852,612,470	100.00

Notes:

- Based solely on the latest published information of the Offeree Company as at the Latest Practicable Date (namely, the interim report of the Offeree Company as at 30 June 2024), Mr. Lin Shengxiong through his 100% equity interest in Hopeland International Holdings Company Limited held 410,886,000 Shares, representing approximately 48.19% of the entire issued share capital of the Offeree Company. Mr. Lin Shengxiong was an executive Director of the Offeree Company prior to his resignation on 1 December 2022.
- Based solely on the latest published information of the Offeree Company as at the Latest Practicable Date (namely, the interim report of the Offeree Company as at 30 June 2024), the issued share capital of Glory Bright Investments Enterprise Limited is beneficially wholly-owned by Mr. Lin Wanpeng. Mr. Lin Wanpeng is deemed to be interested in 59,011,000 Shares, representing approximately 6.92% of the entire issued share capital of the Offeree Company.
- The Offeror will not be a 'controlling shareholder' (as defined in the Listing Rules) of the Offeree Company immediately upon completion of the Partial Offer. The Offeror does not have any relationship with Mr. Lin Shengxiong, Hopeland International, Mr. Lin Wanpeng or Glory Bright and they are not parties acting in concert with the Offeror.
- Percentage figures are rounded to two decimal places, and certain percentage figures included in the above table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.



Assuming that (i) there will be no change to the issued share capital of the Offeree Company; (ii) no other change to the shareholding between the Latest Practicable Date and up to the Final Closing Date; and (iii) the maximum of 85,261,250 Offer Shares have been tendered by Qualifying Shareholders under the Partial Offer other than Hopeland International and Glory Bright, the maximum of 85,261,250 Offer Shares tendered under the Partial Offer represent approximately 22.3% of 382,715,470 Shares held by Qualifying Shareholders other than Hopeland International and Glory Bright as at the Latest Practicable Date.

INFORMATION OF THE OFFEREE GROUP

The Offeree Company is a Hong Kong-based company principally engaged in the design, development, manufacture and sales of polymer processed high strength polyester fabric composite materials and other reinforced composite materials, conventional materials and downstream-related inflatable and waterproof products (including double wall fabric, tent materials, architectural membranes, airtight materials, sports materials, large scale inflatable toys and water sports products, among others) which are used in various industries (including the transportation industry, the construction industry, the renewable energy industry, the agriculture industry, the outdoor leisure industry, the entertainment industry and the sports industry). The Offeree Company mainly operates businesses in China.

The following table is a summary of (i) certain consolidated financial information of the Offeree Group for the six months ended 30 June 2024 and 30 June 2023 as extracted from the Offeree Company's interim report for the six months ended 30 June 2024 and 30 June 2023, respectively; and (ii) certain audited consolidated financial information of the Offeree Group for the financial years ended 31 December 2022 and 31 December 2023 respectively, as extracted from the annual report of the Offeree Company for the years ended 31 December 2022 and 31 December 2023, respectively:

	For the year ended		For the six months ended	
	31 December		30 June	
	2022	2023	2023	2024
	(audited)	(audited)	(unaudited)	(unaudited)
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Revenue	926,621	933,930	447,722	532,153
Profit before taxation	48,858	64,653	19,861	22,850
Profit for the year/period	44,519	58,645	17,653	17,791
Profit for the year/period attributable to the Shareholders	46,188	63,000	19,545	20,153
Earnings per Share attributable to the Shareholders (RMB cent per Share)	5.42	7.39	2.29	2.36



As at 31 December 2023, the audited consolidated net assets of the Offeree Company amounted to approximately RMB758,156 million, and as at 30 June 2024, the unaudited consolidated net assets of the Offeree Company amounted to approximately RMB775,954 million.

INFORMATION OF THE OFFEROR

The Offeror is a fund in the form of a Delaware incorporated limited partnership managed by Alternative Liquidity (which conducts business using the name Alternative Liquidity Capital) which acts as its general partner and investment manager responsible for managing the portfolio of the Offeror.

Alternative Liquidity, based in the state of Minnesota in the United States, is in the business of providing liquidity solutions to investors in delisted and non-traded securities globally by making offers for such securities which, after taking into account risk-reward assessments based on information and know-how available to it, are consistent with its long-term investment strategy. Alternative Liquidity has successfully completed more than 20 partial tender offers in the United States, Australia, and other jurisdictions. As of December 31, 2024, Alternative Liquidity had approximately US\$16.9 million in assets under management.

Alternative Liquidity has the sole discretion of making investments on behalf of the Offeror and exercising powers set forth in the relevant partnership agreement including, without limitation, to purchase and otherwise deal in securities and make investments in other entities.

Mr. Jacob Mohs is the founder and managing member of Alternative Liquidity, and in his capacity as the managing member of Alternative Liquidity, his roles and responsibilities include developing and implementing investment strategies, making final trading decisions, managing portfolio performance, overseeing risk assessment, ensuring the Offeror's compliance with all applicable regulations as well as ensuring accurate and timely financial reporting that adheres to industry best practices and investor expectations. Mr. Mohs also serves as a board director of several companies affiliated with the Offeror in Minnetonka, United States and is the founder of Diligent Research LLC (formerly known as Ockham Research LLC, doing business as Ockham Data Group, which is a financial data provider for the alternative investment industry) based in Minnetonka, United States. Mr. Mohs has an M.A. from the Elliott School of International Affairs at the George Washington University and a B.S. from the University of Wisconsin-Madison. He holds the Chartered Financial Analyst and Chartered Alternative Investment Analyst designations.

REASONS FOR THE PARTIAL OFFER

Alternative Liquidity seeks to make diversified long-term investments and provide liquidity solutions to investors in delisted and non-traded securities. Consistent with such investment strategy and philosophy, Alternative Liquidity is seeking to establish an ownership interest in the Shares for passive investment purposes and is not seeking to control or consolidate control of the Offeree Company. This is because to date, the business model of Alternative Liquidity does not involve acquiring control or seeking to consolidate control over investee companies, or to invest in companies as a controlling shareholder. As such, the Offeror is seeking to make the Partial Offer rather than a general offer for all the Shares. Alternative Liquidity has a normal investment horizon of five to ten years. The Partial Offer is not intended as disruptive but rather as a means to take an investment position in a long-suspended company.



Alternative Liquidity, acting for the Offeror, has determined the size and timing of the Partial Offer after taking into consideration various factors relevant to the Offeree Company including, without limitation, the financial position of the Offeree Company, the length of suspension of trading of the Shares, the reasons (including the Material Issues) for the suspension in trading and their impact or implications for investors.

Alternative Liquidity considers that the Partial Offer provides a reasonable opportunity for legacy holders of the Shares (who may wish to dispose of their Shares due to the Material Issues and other risks related to the Offeree Company but are unable to do so due to the prolonged trading suspension) to dispose of some or all of their Shares in a fair and transparent manner. In the process, Alternative Liquidity would assume the relevant associated risks attached to the holding of the Shares in the longer term (consistent with its longer term investment strategy) which is reflected in the Offer Price commensurate with the risk-benefit balance.

PUBLIC FLOAT OF THE OFFEREE COMPANY

The Stock Exchange has stated that if, at the close of the Partial Offer, less than the minimum prescribed percentage applicable to the Offeree Company, being 25% of the 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,

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

As at the Latest Practicable Date, based on public information, the Offeree Company has a public float of approximately 51.81% of the Shares. Assuming (i) acceptances of the maximum number of Offer Shares under the Partial Offer by the Qualifying Shareholders; and (ii) that there are no changes to the issued share capital of the Offeree Company between the Latest Practicable Date and up to the Final Closing Date, the Offeree Company will have a public float of above 25% of the Shares immediately following the close of the Partial Offer. Accordingly, the number of Shares in public hands will continue to meet the 25% minimum public float requirement under Rule 8.08 of the Listing Rules. As required to be disclosed pursuant to Rule 14.81(1) of the Listing Rules, the Offeror intends the Offeree Company to remain listed on the Stock Exchange. The Offeror undertakes to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares as a result of the Partial Offer.

ACCEPTANCE AND SETTLEMENT OF THE PARTIAL OFFER

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



COMPULSORY ACQUISITION

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

GENERAL

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

ADDITIONAL INFORMATION

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

Yours faithfully,
for and on behalf of
Somerley Capital Limited


Jakob Fabian Hesse
Director