

30 October 2023

*To the Independent Shareholders*

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFER  
BY BLACKWELL GLOBAL SECURITIES LIMITED  
ON BEHALF OF RAPID DEVELOPMENT LIMITED  
TO ACQUIRE ALL THE ISSUED SHARES IN  
ARTINI HOLDINGS LIMITED (OTHER THAN THOSE  
ALREADY OWNED OR AGREED  
TO BE ACQUIRED BY RAPID DEVELOPMENT LIMITED**

**INTRODUCTION**

Reference is made to the Joint Announcement whereby the Company and the Offeror jointly announced that on 16 September 2023 the Vendors and the Offeror entered into the Agreement (as supplemented by the Supplemental Agreement), pursuant to which the Vendors conditionally agreed to sell and transfer, and the Offeror conditionally agreed to purchase, the Sale Shares free from all Encumbrances for a cash Consideration of HK\$128,292,933.5364, equivalent to HK\$0.1812 per Sale Share. The Consideration was agreed between the Vendors and the Offeror after arm's length negotiations having regard to (i) the prevailing market prices of the Shares; (ii) the historical financial performance of the Group; and (iii) the audited consolidated financial position of the Group as at 31 March 2023. The Sale Shares represented approximately 64.13% of the total issued share capital of the Company as at the Latest Practicable Date. All of the conditions precedent under the Agreement have been satisfied and the Completion Date was 26 September

Immediately prior to Completion, none of the Offeror and parties acting in concert with it owned, controlled or had direction over any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. Immediately following Completion and as at the Latest Practicable Date, the Offeror and parties acting in concert with it were interested in 708,018,397 Shares, representing approximately 64.13% of the total issued share capital of the Company. The Offeror is therefore required under Rule 26.1 of the Takeovers Code to make an Offer for all the issued Shares not already owned or agreed to be acquired by the Offeror and parties acting in concert with

This letter forms part of this Composite Document which sets out, among other things, the principal terms of the Offer, together with the information on the Offeror and the Offeror's intentions regarding the Group. Further details of the Offer and the procedures for acceptance and settlement of the Offer are also set out in Appendix I to this Composite Document and the accompanying Form of Acceptance. The Independent Shareholders are strongly advised to consider carefully the information contained in the "Letter from the Board", the "Letter from the Independent Board Committee" to the Independent Shareholders, the "Letter from Amasse Capital" to the Independent Board Committee and the Independent Shareholders and the appendices as set out in this Composite Document and to consult their professional advisers if in doubt before reaching a decision as to whether or not to accept the Offer.

## **THE OFFER**

We are making the Offer, for and on behalf of the Offeror, to acquire the Offer Shares on the following basis:

### **The Offer**

**Offer Price for each Offer Share. . . . . HK\$0.1812 in cash**

The Offer Price of HK\$0.1812 per Offer Share is equal to the purchase price per Sale Share paid by the Offeror under the Agreement (as supplemented by the Supplemental Agreement).

As at the Latest Practicable Date, the authorised share capital of the Company was HK\$300,000,000 divided into 6,000,000,000 ordinary shares, and there are 1,103,968,128 Shares in issue. All of the share options granted to the Directors, employees and consultants as mentioned in the annual report of the Company dated 27 June 2023 were lapsed on 14 July 2023. As such, as at the Latest Practicable Date, the Company had no other outstanding Shares, options, warrants, derivatives or other securities that are convertible or exchangeable into Shares or other relevant securities in the Company (as defined in Note 4 to Rule 22 of the Takeovers Code).

The Offer is unconditional in all respects and extended to all Independent Shareholders in accordance with the Takeovers Code.

Under the terms of the Offer, the Offer Shares to be acquired under the Offer shall be fully paid and free from all Encumbrance and together with all rights and benefits attached thereto, including all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of despatch of this Composite Document.

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

### **Comparisons of value**

The Offer Price of HK\$0.1812 per Offer Share represents:

- (i) a discount of approximately 41.55% to the closing price of HK\$0.310 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a premium of approximately 187.62% to the closing price of HK\$0.063 per Share as quoted on the Stock Exchange on 26 April 2023, being the last trading day prior to the commencement of the Offer Period;
- (iii) a discount of approximately 18.74% to the closing price of HK\$0.2230 per Share as quoted on the Stock Exchange on 15 September 2023, being the Last Trading Day;
- (iv) a discount of approximately 16.27% to the average of the closing prices of approximately HK\$0.2164 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to and including the Last Trading Day;
- (v) a discount of approximately 13.92% to the average of the closing prices of approximately HK\$0.2105 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days immediately prior to and including the Last Trading Day;
- (vi) a discount of approximately 20.61% to the average of the closing prices of approximately HK\$0.2282 per Share as quoted on the Stock Exchange for the thirty (30) consecutive trading days immediately prior to and including the Last Trading Day; and
- (vii) a premium of approximately 53.42% over the audited consolidated net asset value per Share of approximately HK\$0.1181 as at 31 March 2023 based on 1,103,968,128 Shares in issue as at the Latest Practicable Date.

### **Highest and lowest Share prices**

During the Relevant Period, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.310 per Share on 27 October 2023, and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.046 per Share on 28 December 2022, 12, 13, 16, 17, 18 and 19 January 2023 and 2 and 3 February 2023, respectively.

### **Value and total consideration of the Offer**

As at the Latest Practicable Date, the Company had 1,103,968,128 Shares in issue, and the Company did not have any outstanding options, derivatives, warrants or other securities which may confer to the holder(s) thereof any right to subscribe for, convert or exchange into Shares.

Based on the Offer Price of HK\$0.1812 per Offer Share, the entire issued share capital of the Company is valued at HK\$200,039,024.7936. Excluding the Sale Shares (i.e. 708,018,397 Shares) agreed to be acquired by the Offeror under the Agreement and on the basis that there will be no change in the issued share capital of the Company from the Latest Practicable Date up to the Closing Date, a total of 395,949,731 Shares will be subject to the Offer. Based on the Offer Price of HK\$0.1812 per Offer Share and on the basis of full acceptance of the Offer, the maximum cash consideration payable by the Offeror under the Offer will be HK\$71,746,091.2572.

### **Financial resources available to the Offeror**

The maximum payment obligations payable for the Offer shall be payable in cash. The Offeror intends to finance the maximum payment obligations payable for the Offer by its internal resources.

Jun Hui International, the financial adviser to the Offeror in respect of the Offer, is satisfied that sufficient financial resources are available to the Offeror to satisfy the maximum consideration payable upon full acceptance of the Offer.

### **Effect of accepting the Offer**

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

Acceptance of the Offer by any Shareholder will be deemed to constitute a warranty by such person that all Shares sold by such person under the Offer are free from all Encumbrances and together with all rights accruing or attaching to them, including, without limitation, the right to receive all dividends and distributions which may be recommended, declared, made or paid, if any, at any time on or after the date on which the Offer is made, being the date of this Composite Document. The Company confirmed that as at the Latest Practicable Date, it did not have any dividends or distributions announced, declared, recommended or made but unpaid or it does not intend to declare any dividend and/or make any distributions before the close of the Offer.

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

### **Payment**

Payment in cash in respect of acceptance of the Offer will be made as soon as possible but in any event within seven (7) Business Days following the date on which the duly completed Form of Acceptance and the relevant documents of title of the Offer Shares in respect of such acceptance are received by the Offeror or its agent acting on its behalf to render each such acceptance complete and valid pursuant to the Takeovers Code. 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.

### **Hong Kong stamp duty**

In Hong Kong, seller's ad valorem stamp duty at a rate of 0.13% of the market value of the Offer Shares or consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, will be deducted from the amount payable to the relevant Independent Shareholders on acceptance of the Offer. The Offeror will arrange for payment of the sellers' ad valorem stamp duty on behalf of accepting Independent Shareholders and pay the buyer's ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Offer Shares.

### **Overseas Shareholders**

As the Offer to persons not being resident in Hong Kong may be affected by the laws of the relevant jurisdiction in which they are resident, Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice.

It is the sole 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, exchange control or other consent which may be required, the compliance with other necessary formalities and the payment of any transfer or other taxes due from the accepting Independent Shareholders in respect of such jurisdictions).

Based on the record in the Company's Hong Kong register of members, there was one Overseas Shareholder whose address is in the PRC as at the Latest Practicable Date. As advised by legal advisers in the PRC, there is no restriction as to the despatch of this Composite Document and the accompanying Form of Acceptance, and the making of the Offer, to such Overseas Shareholder. The Offeror will therefore despatch this Composite Document and the Form of Acceptance to such Overseas Shareholder. This Composite Document will not be filed under the applicable securities or equivalent legislation or rules of any jurisdiction other than Hong Kong and this Composite Document will be published on the websites of the Stock Exchange and the Company.

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

#### **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. It is emphasised that none of the Company, the Offeror, parties acting in concert with the Offeror, Jun Hui International, Blackwell or any of their respective ultimate beneficial owners, directors, officers, advisers, 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.

## INFORMATION ON THE GROUP

Details of the information on the Group are set out in the “Letter from the Board” in this Composite Document.

## INFORMATION ON THE OFFEROR

The Offeror is a company incorporated in the BVI with limited liability and is wholly owned by Rapid Investment Development (Shenzhen) Limited\* (迅發投資發展(深圳)有限公司) (“**Rapid Investment Development**”), which is in turn wholly owned by Fuxing Investment Development (Shenzhen) Co., Ltd.\* (賦興投資發展(深圳)有限公司) (“**Fuxing Investment Development**”), a company owned as to 70% by Mr. Chen, the sole director of the Offeror, 29% by Ms. Lin Chenjie (林晨潔) (wife of Mr. Chen) and 1% by Mr. Chen Naien (陳乃恩) (brother of Mr. Chen). Both Rapid Investment Development and Fuxing Investment Development are investment holding companies. Mr. Chen, aged 29, holds a bachelor’s degree in E-commerce from Xiamen University of Technology (廈門理工學院). Mr. Chen is a council member of the Shenzhen Fuzhou Chamber of Commerce\* (深圳福州商會) and the vice president of the New Social Stratum Association of Bao’ar District, Shenzhen\* (深圳市寶安區新的社會階層人士聯合會). Mr. Chen has over six years of experience in the sales and distribution of consumer goods such as health, cosmetic and electronic products in China. For details of the biographical information of Mr. Chen, please refer to the paragraph headed “Appointment of Director” in this section. Mr. Chen does not hold directorship in any listed companies.

## INTENTIONS OF THE OFFEROR REGARDING THE GROUP

The Offeror intends to continue the principal business of the Group and has no intention to dispose of the businesses of the Group immediately after completion of the Offer.

The Offeror will, following the close of the Offer, conduct a review of the operations of the Group in order to formulate a long-term strategy for the Group and explore other business or investment opportunities for enhancing its future development and strengthening its revenue base. Leveraging Mr. Chen’s experience, industry knowledge and network in the sales and distribution of consumer goods, the Offeror intends to explore related business opportunities and commence related business by expanding the Group’s product offerings through launching more fashion accessories products and diversifying its products range to cover skincare and health products and by strengthening the Group’s online and offline sales channels. Subject to the results 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.

Notwithstanding the above, as at the Latest Practicable Date, no investment or business opportunity had been identified nor had the Offeror entered into any agreements, arrangements, understandings or negotiations in relation to the injection of any assets or business into the Group, and the Offeror had no intention to discontinue the employment of the employees or to dispose of or re-deploy the assets of the Group other than those in its ordinary course of business.

## APPOINTMENT OF DIRECTOR

As at the Latest Practicable Date, the Board was made up of six Directors, comprising three executive Directors, namely Mr. Tse, Ms. Yu Zhonglian and Mr. Tse Kin Lung; and three independent non-executive Directors, namely Mr. Lau Fai Lawrence, Mr. Lau Yiu Kit and Mr. Ma Sai Yam. Pursuant to the Agreement, it is intended that save for Mr. Tse, who is an existing executive Director, all other Directors (including independent non-executive Directors) will resign from the Board with effect from the earliest time permitted under Rule 7 of the Takeovers Code.

As disclosed in the Joint Announcement, the Offeror intends to nominate new director(s) to the Board with effect from the earliest time permitted under the Takeovers Code. The Offeror proposes to nominate Mr. Chen as an executive Director and the chairman of the Board, and Mr. Tse will cease to be the chairman of the Board. The proposed appointment will take effect after the date of posting of this Composite Document.

The biographical details of Mr. Chen are set out as follows:

**Mr. Chen Long (陳龍)**, aged 29, is the sole director and one of the ultimate shareholders of the Offeror. Mr. Chen holds a bachelor's degree in E-commerce from Xiamen University of Technology (廈門理工學院). Mr. Chen is a council member of the Shenzhen Fuzhou Chamber of Commerce\* (深圳福州商會) and the vice president of the New Social Stratum Association of Bao'an District, Shenzhen\* (深圳市寶安區新的社會階層人士聯合會). Mr. Chen has over six years of experience in the sales and distribution of consumer goods such as health, cosmetic and electronic products in China. Since July 2019, Mr. Chen has been the executive director and one of the ultimate shareholders of Rapid Investment Development, a company which is principally engaged in investment activities with investment in companies engaging in the sales and distribution of consumer goods, including health, cosmetic and electronic products. In November 2022, Mr. Chen founded New Express Health Management (Shenzhen) Co., Ltd\* (新幹綫健康管理(深圳)股份有限公司), a company which is principally engaged in the retail of various consumer goods, including cosmetic and health products and the provision of health management consulting services to customers with an aim to sell its consumer goods.



The Company will enter into an appointment letter with Mr. Chen with a term of three years from the date of appointment, subject to retirement by rotation and re-election at the annual general meeting in accordance with the bye-laws of the Company. Mr. Chen is entitled to a director's fee of HK\$300,000 per annum without any variable remuneration payable as director fee. Such emolument has been determined with reference to his duties and responsibilities with the Company, the Company's remuneration policy and the prevailing market conditions. Mr. Chen has confirmed that, save as disclosed in the paragraph headed "3. Disclosure of Interests" in Appendix III to this Composite Document, as at the Latest Practicable Date, he did not (i) hold any directorship in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (ii) have any relationship with any director, senior management or substantial or controlling shareholders of the Company; (iii) hold any position in the Company or other members of the Group; and (iv) have nor deemed to have any interest in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)).

Save as disclosed above, there is no other information relating to the appointment of Mr. Chen that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders.

Save as disclosed in the paragraph headed "Appointment of Director" in this section, as at the Latest Practicable Date, the Offeror had not reached any final decision as to who would be nominated as the new Directors. Further announcement(s)/disclosure(s) will be made upon any changes to the composition to the Board in accordance with the requirements of the Listing Rules and the Takeovers Code as and when appropriate.

#### **PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY**

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

For the avoidance of doubt, the Offer Shares to be tendered by the Independent Shareholders upon valid acceptance of the Offer will be retained by the Offeror.

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, 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) 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.

#### **ACCEPTANCE AND SETTLEMENT OF THE OFFER**

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

#### **COMPULSORY ACQUISITION**

The Offeror does not intend to exercise any right which may be available to it to compulsorily acquire any outstanding Offer Shares not acquired under the Offer after the close of the Offer.

#### **FURTHER TERMS OF THE OFFER**

Further terms of the Offer (including the procedures for acceptance, the acceptance period and stamp duty payable by the Independent Shareholders who accept the Offer) are set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

#### **ADDITIONAL INFORMATION**

Your attention is drawn to the additional information regarding the Offer set out in the appendices to this Composite Document and the accompanying Form of Acceptance, which form part of this Composite Document. You are also reminded to consider carefully the information contained in the "Letter from the Board", the "Letter from the Independent Board Committee" and the "Letter from the Amasse Capital" contained in this Composite Document and to consult your professional advisers as you see fit, before deciding whether or not to accept the Offer.

Yours faithfully,  
For and on behalf of  
**Blackwell Global Securities Limited**

A handwritten signature in black ink, consisting of several overlapping loops and a final flourish.

**Leung Ho Yin Scott**  
*Director and Responsible Officer*