

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of the Offer, this Composite Document and/or the accompanying Form of Acceptance or the action to be taken, 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 or transferred all your shares in Artini Holdings Limited, you should at once hand this Composite Document and the accompanying Form of Acceptance to the purchaser(s) or the transferee(s) or to the bank or licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or 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 and conditions of the Offer contained herein.

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

Rapid Development Limited

迅速發展有限公司

(Incorporated in British Virgin Islands with limited liability)

Artini Holdings Limited

雅天妮集團有限公司

(Incorporated in Bermuda with limited liability)
(Stock Code: 789)

**COMPOSITE DOCUMENT RELATING TO
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
AND PARTIES ACTING IN CONCERT WITH IT)**

Financial adviser to the Offeror

 **僑匯國際金融有限公司**
Jun Hui International Finance Limited

Financial adviser to Mr. Tse

 **Alliance Capital Partners Limited**
同人融資有限公司

Offer Agent to the Offeror

 **博威環球證券**
Blackwell Global Securities

**Independent Financial Adviser to the Independent Board Committee and
the Independent Shareholders**

AMASSE CAPITAL
寶積資本

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 Blackwell containing, among other things the terms of the Offer is set out on pages 7 to 16 of this Composite Document. A letter from the Board is set out on pages 17 to 22 of this Composite Document. A letter from the Independent Board Committee containing its recommendation in respect of the Offer to the Independent Shareholders is set out on pages 23 to 24 of this Composite Document. A letter of advice from the Independent Financial Adviser to the Independent Board Committee in respect of the terms of the Offer and as to the acceptance of the Offer is set out on pages 25 to 47 of this Composite Document.

The procedures for acceptance and settlement of the Offer and 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, Union Registrars Limited at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, as soon as possible and in any event by no later than 4:00 p.m. on Monday, 20 November 2023 or such later time(s) and/or date(s) 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 section headed "Important Notice", sub-paragraph headed "Overseas Shareholders" under the paragraph headed "The Offer" in the "Letter from Blackwell" on pages 11 to 12 of this Composite Document and the paragraph headed "7. Overseas Shareholders" in Appendix I to this Composite Document before taking any action. It is the responsibility of each Overseas 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.

This Composite Document will remain on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.artini.com.hk) as long as the Offer remains open.

In case of any inconsistency, the English language texts of this Composite Document and the accompanying Form of Acceptance shall prevail over their respective Chinese texts for the purpose of interpretation.

Hong Kong, 30 October 2023

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EXPECTED TIMETABLE

The expected timetable set out below is indicative only and may be subject to changes. Any changes to the timetable will be jointly announced by the Offeror and the Company. Unless otherwise expressly stated, all time and date references contained in this Composite Document and the Form of Acceptance refer to Hong Kong time and dates.

Despatch date of this Composite Document and
the accompanying Form of Acceptance and
commencement date of the Offer (*Note 1*) Monday, 30 October 2023

Latest time and date for acceptance of
the Offer (*Notes 2 and 4*) 4:00 p.m. on
Monday, 20 November 2023

Closing Date (*Notes 2 and 4*) Monday, 20 November 2023

Announcement of the results of the Offer
(or its extension or revision, if any), to be posted
on the websites of the Stock Exchange and
the Company (*Note 2*) at or before 7:00 p.m. on
Monday, 20 November 2023

Latest date for posting of remittances in
respect of valid acceptances received under
the Offer (*Notes 3 and 4*) Wednesday, 29 November 2023

Notes:

1. The Offer, which is unconditional, 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 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. Acceptances of the Offer shall be irrevocable and shall not be capable of being withdrawn, except in the circumstances set out in the paragraph headed “5. 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 will be at 4:00 p.m. on Monday, 20 November 2023 unless the Offeror revises or extends the Offer in accordance with the Takeovers Code. The Offeror and the Company will jointly issue an announcement through on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.artini.com.hk) no later than 7:00 p.m. on Monday, 20 November 2023 stating whether the Offer has been extended, revised or has expired. In the event that the Offeror decides to revise or extend the Offer, 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.

EXPECTED TIMETABLE

3. Remittances in respect of the cash consideration (after deducting the seller's ad valorem stamp duty) payable for the Offer Shares will be despatched to the Independent Shareholders accepting the Offer by ordinary post at their own risk as soon as possible, but in any event within seven Business Days after the date of receipt by the Registrar of all relevant documents (receipt of which renders such acceptance complete and valid), in accordance with the Takeovers Code. Acceptance of the Offer shall be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code. Please refer to paragraph headed "5. Right of withdrawal" in Appendix I to this Composite Document for further information on the circumstances where acceptances may be withdrawn.
4. If there is a tropical cyclone warning signal number 8 or above, or a "black rainstorm warning signal" or "extreme condition" caused by super typhoon, (i) in force in Hong Kong at any local time before 12:00 noon but no longer in force after 12:00 noon on the latest date for acceptance of the Offer and the latest date for posting of remittances for the amounts due under the Offer in respect of valid acceptances, the latest time for acceptance of the Offer will remain at 4:00 p.m. on the same Business Day and the date of posting of remittances will remain on the same Business Day; or (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the latest date for acceptance of the Offer and the latest date for posting of remittances for the amounts due under the Offer in respect of valid acceptances, the latest time for acceptance of the Offer will be rescheduled to 4:00 p.m. on the following Business Day and the date of posting of remittances will be rescheduled to the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.
5. Save as mentioned above, if the latest time for the acceptance of the Offer and/or the posting of remittances do 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 Independent Shareholders by way of announcement(s) on any change to the expected timetable as soon as practicable.

IMPORTANT NOTICE

NOTICE TO 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 should observe any applicable legal requirements and, where necessary, seek independent legal advice. 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 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, and the payment of any transfer or other taxes or other required payments due in respect of such jurisdiction. The Offeror, parties acting in concert with the Offeror, Jun Hui International, the Company, Blackwell, Amasse Capital, the Registrar, their respective ultimate beneficial owners, directors, officers, agents, advisers 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 refer the paragraph headed "Overseas Shareholders" in the "Letter from Blackwell" of this Composite Document.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENT

This Composite Document contains forward-looking statements, which may be identified by words such as "believe", "expect", "anticipate", "intend", "plan", "seek", "estimate", "will", "would" or words of similar meaning, that involve risks and uncertainties, as well as assumptions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. The Offeror and the Company assume no obligation and do not intend to update these forward-looking statements or opinions contained in this Composite Document, except as required pursuant to applicable laws or regulations, including but not limited to the Listing Rules and/or the Takeovers Code.

DEFINITIONS

In this Composite Document, the following expressions have the meanings set out below unless the context requires otherwise.

“acting in concert”	has the meaning ascribed thereto in the Takeovers Code
“Agreement”	the sale and purchase agreement dated 16 September 2023 entered into between the Offeror as purchaser, the Vendors as vendors in relation to the acquisition of the Sale Shares by the Offeror from the Vendors
“associate(s)”	has the same meaning ascribed to it under the Listing Rules or the Takeovers Code (as the case may be)
“Blackwell”	Blackwell Global Securities Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO, the agent making the Offer on behalf of the Offeror
“Board”	the board of Directors
“Business Day(s)”	a day on which the Stock Exchange is open for the transaction of business
“BVI”	the British Virgin Islands
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Closing Date”	20 November 2023, being the closing date of the Offer which is 21 days after the day of this Composite Document is posted or any subsequent closing date(s) as may be determined and announced by the Offeror in accordance with the Takeovers Code
“Company”	Artini Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 789)

DEFINITIONS

“Completion”	completion of the sale and purchase of the Sale Shares pursuant to Agreement
“Completion Date”	the date on which Completion took place, i.e. 26 September 2023
“Composite Document”	the composite offer and response document dated 30 October 2023 jointly issued by the Offeror and the Company to the Shareholders in connection with the Offer in compliance with the Takeovers Code
“Consideration”	the consideration in the amount of HK\$128,292,933.5364 for the Sale Shares pursuant to the Agreement (as supplemented by the Supplemental Agreement)
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company from time to time
“Encumbrance(s)”	any option, right of acquisition, right of priority, mortgage, charge, lien, right of retention of title, right of set-off, counterclaim, trust arrangement, or any other right to collateral of any kind or equity interest or restriction (including the restrictions imposed by the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)) in respect of any asset
“Executive”	the executive director of the Corporate Finance Division of the SFC from time to time and any delegate of such executive director
“Form of Acceptance”	the form of acceptance and transfer of Share(s) in respect of the Offer accompanying this Composite Document
“Group”	the Company and its subsidiaries (from time to time)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Board comprising Mr. Lau Fai Lawrence, Mr. Lau Yiu Kit and Mr. Ma Sai Yam, being all the independent non-executive Directors, established to advise the Independent Shareholders in respect of the Offer
“Independent Financial Adviser” or “Amasse Capital”	Amasse Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to the Independent Board Committee in relation to the Offer
“Independent Shareholders”	the Shareholders other than the Offeror and parties acting in concert with it
“Intention Agreement”	investment intention agreement entered into on 26 April 2023 between the Vendors and Rapid Investment Development (Shenzhen) Limited* (迅發投資發展(深圳)有限公司), being the sole shareholder of the Offeror
“Intention Money”	HK\$10,000,000 paid by the Offeror to the Vendors as intention money in accordance with the Intention Agreement
“Joint Announcement”	the announcement dated 27 September 2023 (as clarified by an announcement dated 29 September 2023) jointly issued by the Offeror and the Company in relation to, among others, the Agreement and the Offer
“Jun Hui International”	Jun Hui International Finance Limited, a licensed corporation permitted to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the financial adviser to the Offeror in respect of the Offer

DEFINITIONS

“Last Trading Day”	15 September 2023, being the last trading day on which the Shares were traded on the Stock Exchange immediately prior to the suspension of trading in the Shares pending the publication of the Joint Announcement
“Latest Practicable Date”	27 October 2023, being the latest practicable date prior to printing of this Composite Document for ascertaining certain information for inclusion in this Composite Document
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mr. Chen”	Mr. Chen Long (陳龍), one of the ultimate shareholders of the Offeror and the sole director of the Offeror
“Mr. Tse”	Mr. Tse Hoi Chau (謝海州), an executive Director and a Vendor
“Offer”	the mandatory unconditional cash offer made by Blackwell on behalf of the Offeror to acquire the Offer Shares on the terms and conditions set out in the Composite Document and the accompanying the Form of Acceptance and in compliance with the Takeovers Code
“Offer Period”	has the meaning ascribed to it under the Takeovers Code, being the period commencing from 28 April 2023 and ending on the Closing Date
“Offer Price”	the cash amount of HK\$0.1812 for each Offer Share payable by the Offeror to the Independent Shareholders accepting the Offer
“Offer Share(s)”	all the Shares in issue, other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it

DEFINITIONS

“Offeror”	Rapid Development Limited (迅速發展有限公司), a company incorporated in 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), 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), 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)
“Overseas Shareholder(s)”	Independent Shareholder(s) whose address(es) as shown on the register of members of the Company, is/are outside Hong Kong
“PRC”	the People’s Republic of China, which for the purpose of this Composite Document, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Registrar”	Union Registrars Limited, being the Hong Kong branch share registrar and transfer office of the Company, whose address is at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong
“Relevant Period”	the period commencing on 28 October 2022, being the date falling six months preceding 28 April 2023, being the date of commencement of the Offer Period, and ending on the Latest Practicable Date
“Sale Shares”	a total of 708,018,397 Shares, representing approximately 64.13% of the total issued share capital of the Company, acquired by the Offeror from the Vendors pursuant to the terms and conditions of the Agreement
“SFC”	the Securities and Futures Commission of Hong Kong

DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement”	the supplemental agreement dated 23 September 2023 to the Agreement entered into between the Offeror and the Vendors to amend the Consideration (from HK\$128,292,934 to HK\$128,292,933.5364) and the consequential settlement amounts of the Consideration to each of the Vendors
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Vendors”	Mr. Tse and Walifax, being the vendors of the Sale Shares under the Agreement
“Walifax”	Walifax Investments Limited, a company incorporated in the BVI with limited liability and wholly-owned by Mr. Tse, being a Vendor
“%”	per cent

* For identification purpose only

LETTER FROM BLACKWELL



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
AND PARTIES ACTING IN CONCERT WITH IT)**

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 2023.

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 it. Blackwell is making the Offer for and on behalf of the Offeror.

LETTER FROM BLACKWELL

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.

LETTER FROM BLACKWELL

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.

LETTER FROM BLACKWELL

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.

LETTER FROM BLACKWELL

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.

LETTER FROM BLACKWELL

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.

LETTER FROM BLACKWELL

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’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. 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.

LETTER FROM BLACKWELL

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.

LETTER FROM BLACKWELL

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.

LETTER FROM BLACKWELL

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
Leung Ho Yin Scott
Director and Responsible Officer

LETTER FROM THE BOARD

Artini Holdings Limited
雅天妮集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 789)

Executive Directors:

Mr. Tse Hoi Chau (*Chairman*)
Ms. Yu Zhonglian
Mr. Tse Kin Lung (*Chief Executive*)

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Independent non-executive Directors:

Mr. Lau Fai Lawrence
Mr. Lau Yiu Kit
Mr. Ma Sai Yam

Principal place of business in Hong Kong:

Office 3, 17/F
Shun Feng International Centre
No. 182 Queen's Road East
Wan Chai
Hong Kong

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
AND PARTIES ACTING IN CONCERT WITH IT)**

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 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 2023.

LETTER FROM THE BOARD

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 and the Offeror; (ii) further details of the Offer; (iii) a letter from Blackwell; (iv) a letter from the Board; (v) a letter of recommendation from the Independent Board Committee; and (vi) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Offer and as to the acceptance of the Offer.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Under Rule 2.1 of the Takeovers Code, a board which receives an offer, or is approached with a view to an offer being made, must, in the interests of shareholders, establish an independent committee of the board to make a recommendation: (i) as to whether the offer is, or is not, fair and reasonable; and (ii) as to acceptance or voting. The Independent Board Committee comprising all the independent non-executive Directors who have no direct or indirect interest in the Offer, namely Mr. Lau Fai Lawrence, Mr. Lau Yiu Kit and Mr. Ma Sai Yam, has been established by the Company to make recommendations to the Independent Shareholders in this regard.

As disclosed in the Joint Announcement, Amasse Capital has been appointed by the Company with the approval of the Independent Board Committee, to advise the Independent Board Committee and the Independent Shareholders 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.

A letter from Blackwell is set out on pages 7 to 16 of this Composite Document. A letter from the Board is set out on pages 17 to 22 of this Composite Document. A letter from the Independent Board Committee containing its advice to the Independent Shareholders is set out on pages 23 to 24 of this Composite Document. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee in respect of the Offer is set out on pages 25 to 47 of this Composite Document.

LETTER FROM THE BOARD

MANDATORY UNCONDITIONAL CASH OFFER

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 it.

As at the Latest Practicable Date, the Company had 1,103,968,128 Shares in issue and the Company has 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).

Blackwell is making the Offer, which will be unconditional, for and on behalf of the Offeror, in compliance with the Takeovers Code on the following terms:

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).

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

Further details of the Offer including, among others, the terms and conditions and the procedures for acceptance and settlement are set out in the "Letter from Blackwell", Appendix I to this Composite Document and the accompanying Form of Acceptance.

INFORMATION ON THE GROUP

The Company is an investment holding company incorporated in Bermuda with limited liability. The Group is principally engaged in fashion accessories business.

LETTER FROM THE BOARD

Shareholding structure of the Company

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).

Set out below is the shareholding structure of the Company (i) immediately prior to Completion; and (ii) immediately after Completion but before the Offer:

Name of Shareholders	Immediately prior to Completion		Immediately after Completion but before the Offer	
	Number of Shares	Approximately %	Number of Shares	Approximately %
<i>Director</i>				
Mr. Tse (Note 1)	2,964,800	0.27	–	–
<i>Substantial Shareholders</i>				
Walifax (Note 2)	705,053,597	63.86	–	–
The Offeror (Note 3) and parties acting in concert with it	–	–	708,018,397	64.13
<i>Public Shareholders</i>				
Public Shareholders	395,949,731	35.87	395,949,731	35.87
Total	1,103,968,128	100.00	1,103,968,128	100.00

Note 1: Ms. Yu Zhonglian, an executive Director, is the spouse of Mr. Tse, and as such, Ms. Yu Zhonglian is deemed to be interested in all the Shares held by Mr. Tse by virtue of the SFO.

Note 2: As at the Latest Practicable Date, Walifax was wholly and beneficially owned by Mr. Tse.

Note 3: The Offeror is wholly owned by Rapid Investment Development, which is in turn wholly owned by Fuxing Investment Development, a company owned as to 70% by Mr. Chen, 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).

LETTER FROM THE BOARD

As at the Latest Practicable Date, Jun Hui International did not have any interests in the Shares.

Save as disclosed in the table above, as at the Latest Practicable Date, the Directors did not have any interests in the Shares.

Your attention is drawn to Appendices II and IV to this Composite Document which contain further financial and general information on the Group.

INFORMATION ON THE OFFEROR AND INTENTIONS OF THE OFFEROR REGARDING THE GROUP

Your attention is drawn to the paragraph headed “Intentions of the Offeror regarding the Group” in the “Letter from Blackwell” of this Composite Document for detailed information on the Offeror’s intention on the business and management of the Group. The Directors are aware of the intentions of the Offeror in respect of the Group and its employees, that 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.

Proposed change of Board composition of the Company

Your attention is drawn to the paragraph headed “Appointment of Director” in the “Letter from Blackwell” of this Composite Document.

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. It is currently 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 at the Latest Practicable Date, the Directors were aware of the Offeror’s intention 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 foregoing proposed changes will take effect after the date of posting of this Composite Document. Practicable Date, the Offeror had not reached any final decision as to who would be nominated as the new Directors. Any changes to the members of the Board will be made in compliance with the Takeovers Codes and the Listing Rules and further announcement(s) will be made as and when appropriate.

Mr. Tse, being an existing Director as at the Latest Practicable Date who will remain on the Board, is willing to render co-operation with the Offeror and would continue to act in the best interests of the Group and the Shareholders as a whole.

LETTER FROM THE BOARD

PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY

As mentioned in the “Letter from Blackwell”, 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.

RECOMMENDATION

Independent Shareholders are advised to read the recommendation of the Independent Board Committee set out in “Letter from the Independent Board Committee” and the advice of the Independent Financial Adviser set out in “Letter from Amasse Capital” contained in this Composite Document before deciding on the actions to be taken on the Offer.

ADDITIONAL INFORMATION

You are also advised to read this Composite Document together with the accompanying Form of Acceptance in respect of the acceptance and settlement procedures of the Offer. Your attention is also drawn to the additional information contained in the appendices to this Composite Document.

Yours faithfully,
By order of the Board
Artini Holdings Limited
Tse Hoi Chau
Chairman and executive Director

Artini Holdings Limited

雅天妮集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 789)

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
AND PARTIES ACTING IN CONCERT WITH IT)**

We refer to the composite offer document dated 30 October 2023 (the “**Composite Document**”) jointly issued by the Company and the Offeror, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Composite Document unless the context otherwise requires.

Details of the Offer are set out in the “Letter from Blackwell” on pages 7 to 16 of this Composite Document and the “Letter from the Board” on pages 17 to 22 of this Composite Document.

We have been appointed by the Board as members to form the Independent Board Committee and to make recommendations to the Independent Shareholders as to whether the Offer is fair and reasonable and as to the acceptance of the Offer.

Amasse Capital has been appointed to advise us and the Independent Shareholders 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. Details of its advice, together with the principal factors taken into consideration in arriving at such advice, are set out on pages 25 to 47 of the Composite Document.

Having considered the Offer and the advice of the Independent Financial Adviser, we concur with the Independent Financial Adviser’s advice and consider that the Offer and the Offer Price are fair and reasonable and we recommend the Independent Shareholders to accept the Offer.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

However, there is no guarantee that the current market price of the Shares will or will not sustain and will or will not be higher than the Offer Price during and after the period for the acceptance of the Offer. The Independent Shareholders who intend to accept the Offer are reminded to closely monitor the market price and the liquidity of the Shares during the Offer Period and shall, having regard to their own circumstances, consider selling the Shares in the open market, instead of accepting the Offer, if the net proceeds from the sale of such Shares in the open market would be higher than that receivable under the Offer.

Furthermore, Independent Shareholders are reminded that their decisions to dispose of or hold their investment in the Shares are subject to their individual circumstances and investment objectives.

Notwithstanding our recommendation, the Independent Shareholders should consider carefully the terms of the Offer and the "Letter from Amasse Capital" in this Composite Document.

Yours faithfully,
For and on behalf of
the Independent Board Committee

Mr. Lau Fai Lawrence
Independent non-executive
Director

Mr. Lau Yiu Kit
Independent non-executive
Director

Mr. Ma Sai Yam
Independent non-executive
Director

LETTER FROM AMASSE CAPITAL

Set out below is the text of a letter received from Amasse Capital, the Independent Financial Adviser to the Independent Board Committee in respect of the Offer prepared for the purpose of inclusion in this Composite Document.

AMASSE CAPITAL
寶 積 資 本

30 October 2023

To the Independent Board Committee

Dear Sirs,

**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
AND PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

We refer to our appointment as the Independent Financial Advisers to advise the Independent Board Committee and the Independent Shareholders in connection with the Offer. Details of the Offer are set out in the “Letter from Blackwell” enclosed in the Composite Document dated 30 October 2023, of which this letter forms a part. Terms used in this letter shall have the same meanings as those defined in the Composite Document unless the context otherwise requires.

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 Sale Shares represent approximately 64.13% of the total issued share capital of the Company as at the date of the Joint Announcement.

LETTER FROM AMASSE CAPITAL

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 date of the Joint Announcement, the Offeror and parties acting in concert with it are interested in 708,018,397 Shares, representing approximately 64.13% of the total issued share capital of the Company.

The Offeror is therefore be required under Rule 26.1 of the Takeovers Code to make a mandatory unconditional general offer in cash for all the issued Shares not already owned or agreed to be acquired by the Offeror and parties acting in concert with it.

THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors who have no direct or indirect interest in the Offer, namely Mr. Lau Fai Lawrence, Mr. Lau Yiu Kit and Mr. Ma Sai Yam, has been established by the Company pursuant to Rule 2.1 of the Takeovers Code to make recommendations to the Independent Shareholders as to whether the Offer is fair and reasonable and as to the acceptance of the Offer.

We, Amasse Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders 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. Our appointment as the Independent Financial Adviser has been approved by the Independent Board Committee.

OUR INDEPENDENCE

We are not in the same group as the financial or other professional advisers (including a stockbroker) to the Offeror or the Company, and we are not associated with the Offeror or the Company or any party acting, or presumed to be acting in concert with any of them and we had not had, any connection, financial assistance or otherwise, with either the Offeror or the Company or the controlling shareholder(s) of either of them. As at the Latest Practicable Date, apart from the existing engagement in connection with the Offer, we do not and did not have any relationship (business, financial or otherwise) that amounted to a significant connection with the Company or the Offeror or the controlling shareholders of either of them within the past two years for us of a kind necessary likely to create, or to create the perception of, a conflict of interest for us or which is reasonably likely to affect the objectivity of our advice.

LETTER FROM AMASSE CAPITAL

It is noted that, apart from normal professional fees paid or payable to us in connection with the current appointment as the Independent Financial Adviser, no arrangements exist whereby we had received or will receive any fees or benefits from the Company or the Offeror or any other parties that could reasonably be regarded as relevant to our independence, we consider that we are independent pursuant to Rule 13.84 of the Listing Rules.

BASIS OF OUR OPINION

In formulating our opinions and recommendation, we have reviewed, among others, the annual reports of the Company for the years ended 31 March 2021, 31 March 2022 and 2023 (the “**2021 Annual Report**”, the “**2022 Annual Report**” and the “**2023 Annual Report**”, respectively), the Joint Announcement and the Composite Document. We have relied on the accuracy of the information and facts contained or referred to in the Composite Document and provided to us by the Directors. We have assumed that all information and representations contained or referred to in the Composite Document and/or provided to us were true and accurate at the time when they were made and continue to be true, accurate and complete in all material respects and not misleading or deceptive at the time when they were provided or made and will continue to be so up to the date of despatch of the Composite Document. We have also assumed that all statements of belief, opinion and intention made by the Directors in the Composite Document were reasonably made after due enquiries and considerations. We have no reasons to doubt that any relevant information has been withheld, nor are we aware of any fact or circumstance which would render the information provided and representations made to us untrue, inaccurate or misleading. We consider that we have reviewed sufficient information to enable us to reach an informed view and to justify reliance on the accuracy of the information contained in the Composite Document and to provide a reasonable basis for our opinion and recommendation. The Directors have declared in a responsibility statement set out in the Appendix IV to the Composite Document that they jointly and severally accept full responsibility for the accuracy of the information contained in the Composite Document. We have not, however, carried out any independent verification of the information provided by the Company and the Directors, nor have we conducted an independent investigation into the business and affairs, financial condition and future prospects of the Group. Our opinion is based on the Directors’ representation and confirmation that there is no undisclosed private agreements/arrangements or implied understanding with anyone concerning the Offer.

LETTER FROM AMASSE CAPITAL

In formulating our opinions, we have not considered the tax implication on the Shareholders arising from acceptances or non-acceptances of the Offer as these are particular to their individual circumstances. It is emphasised that we will not accept responsibility for any tax effect on or liability of any person resulting from his or her acceptance or non-acceptance of the Offer. In particular, the Shareholders who are residents outside Hong Kong or subject to overseas tax or Hong Kong taxation on securities dealings should consider their own tax position, and if in any doubt, should consult their own professional advisers.

In formulating our opinions, our opinions are necessarily based upon the financial, economic, market, regulatory and other conditions as they existed on, and the facts, information, representations, and opinions made available to us as of the Latest Practicable Date. The Shareholders will be informed should there be any material changes to the information contained or referred to herein and our opinion as soon as possible in accordance with Rule 9.1 of the Takeovers Code.

This letter is issued for the Shareholders solely in respect of the Offer and, except for its inclusion in the Composite Document, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

THE OFFER

As at the Latest Practicable Date, the Company had 1,103,968,128 Shares in issue and the Company has 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).

Blackwell is making the Offer, which is unconditional, for and on behalf of the Offeror, in compliance with the Takeovers Code on the following terms:

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).

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

LETTER FROM AMASSE CAPITAL

PRINCIPAL FACTORS TAKEN INTO CONSIDERATION

In formulating our opinions, we have taken into consideration the following principal factors and reasons:

1. Information and financial performance of the Group

The Company is an investment holding company incorporated in Bermuda with limited liability. The Group is principally engaged in fashion accessories jewellery business. The Group has two operating segments, including (i) wholesale of a wide selection of fashion accessories products mainly through the Group's self-operated online platform (the "**Fashion accessories online wholesales platform Segment**"); and (ii) others, consists of retail and distribution of fashion accessories products through third-party retail online platforms for retail customers in the People's Republic of China (the "**PRC**") and third party physical points of sale by authorised distributors and consignees in the PRC and Hong Kong, offline wholesale channels for trading of fashion accessories products to global wholesale customers and PRC wholesale customers (the "**Other Segment**").

Set out below is a summary of the audited consolidated financial information on the Group's operations for each of the three years ended 31 March 2021, 2022 and 2023 ("**FY2021**", "**FY2022**" and "**FY2023**", respectively) as extracted from the 2021 Annual Report, the 2022 Annual Report and the 2023 Annual Report.

	For the year ended 31 March		
	2023	2022	2021
	<i>HK\$' 000</i>	<i>HK\$' 000</i>	<i>HK\$' 000</i>
	(audited)	(audited)	(audited)
Revenue	63,692	76,968	79,397
<i>– Fashion accessories online wholesales platform Segment</i>	59,906	61,866	44,310
<i>– Other Segment</i>	3,786	15,102	35,087
Gross profit	16,179	14,053	9,197
Loss before income tax	(2,925)	(22,377)	(24,894)
Loss for the year	(1,435)	(22,377)	(26,621)

LETTER FROM AMASSE CAPITAL

	As at 31 March	
	2023	2022
	<i>HK\$' 000</i>	<i>HK\$' 000</i>
	(audited)	(audited)
Total assets	154,322	163,498
Total liabilities	23,926	22,746
Net assets	130,396	140,752
Total equity	130,396	140,752

Financial performance for the year ended 31 March 2023

For FY2023, the Group recorded revenue of approximately HK\$63.7 million, representing a decrease of approximately 17.3% as compared to that of approximately HK\$77.0 million for FY2022. The decrease in revenue was mainly due to the downward pressure on the global economy which reduced the consumer spending on discretionary purchases and lead to decrease in demand of the Group's products.

The gross profit of the Group was approximately HK\$16.2 million for FY2023, representing an increase of approximately 14.9% as compared to that of approximately HK\$14.1 million for FY2022, and gross profit margin was approximately 25.4%, increase for 7.1 percentage points when compared to that of approximately 18.3% for FY2022. The increase in gross profit was mainly due to (i) negotiated lower cost of goods with suppliers; and (ii) less discounts was offered to customers.

The loss for the year of the Company was approximately HK\$1.4 million for FY2023, representing a decrease of approximately 93.8% as compared to that of approximately HK\$22.4 million for FY2022 mainly due to the decrease in cost of sales and the selling and distribution expenses resulted from the decrease in marketing and promotion expenses for the Group's fashion accessories business during FY2023.

LETTER FROM AMASSE CAPITAL

Financial performance for the year ended 31 March 2022

For FY2022, the Group recorded revenue of approximately HK\$77.0 million, representing a decrease of approximately 3.0% as compared to that of approximately HK\$79.4 million for FY2021. The decrease in revenue was mainly due to decrease in sales volume resulted from no extra discounts was offered to customers.

The gross profit of the Group was approximately HK\$14.1 million for FY2022, representing an increase of approximately 53.3% as compared to that of approximately HK\$9.2 million for FY2021, and gross profit margin was approximately 18.3%, increase for 6.7 percentage points when compared to that of approximately 11.6% for FY2021. The increase in gross profit was mainly due to (i) the fact that the COVID-19 epidemic (the “**Epidemic**”) was increasingly stabilized within the year and boosted the sales in fashion accessories online platform segment which has lower cost of sales; and (ii) no extra discounts was offered to customers when compared to FY2021.

The loss for the year of the Company was approximately HK\$22.4 million for FY2022, representing a decrease of approximately 15.8% as compared to that of approximately HK\$26.6 million for FY2021 mainly due to the combined effect of (i) decrease in cost of sales and administrative expenses; and (ii) the increase in selling and distribution expenses mainly resulted from the increase in the distribution costs such as logistics and shipping costs and the marketing and promotion expenses for the Group’s fashion accessories business during the FY2022.

Financial performance for the year ended 31 March 2021

For FY2021, the Group recorded revenue of approximately HK\$79.4 million, representing a decrease of approximately 65.1% as compared to that of approximately HK\$227.6 million for FY2020. The decrease in revenue was mainly due to the global outbreak of the Epidemic in January 2020 with the decrease in the total number of customers and transactions.

The gross profit of the Group was approximately HK\$9.2 million for FY2021, representing a decrease of approximately 83.5% as compared to that of approximately HK\$55.6 million for FY2020, and gross profit margin was approximately 11.6%, decrease of 12.8 percentage points when compared to that of approximately 24.4% for FY2020. The decrease in gross profit was mainly due to the impact of the Epidemic which led to (i) the decrease in revenue; (ii) the offer of extra discounts to customers when compared to FY2020; and (iii) the provision for inventories of approximately HK\$4.4 million made and recognised as cost of inventories sold during FY2021.

LETTER FROM AMASSE CAPITAL

The loss for the year of the Company was approximately HK\$26.6 million for FY2021, representing a turnover as compared to the profit for the year of the Company of approximately HK\$11.0 million for FY2020 mainly due to the decrease in revenue and gross profit as mentioned above.

Financial position as at 31 March 2023

The total assets of the Group were approximately HK\$154.3 million as at 31 March 2023, representing a decrease of 5.6% as compared to that of approximately HK\$163.5 million as at 31 March 2022. The assets of the Group mainly consist of (i) trade receivables, contract assets and other receivables; (ii) inventories; (iii) intangible assets; and (iv) cash and bank balances. The trade receivables, contract assets and other receivables includes receivable from the sales of goods, balances due from customers under sales of fashion accessories products and other receivables raised from which mainly are prepaid advertising expenses, logistics cost and deposit with trading platforms. The intangible assets consist of trademark and non-contractual customer lists and relationships.

The total liabilities of the Group were approximately HK\$23.9 million as at 31 March 2023, representing an increase of 5.3% as compared to that of approximately HK\$22.7 million as at 31 March 2022. The liabilities of the Group mainly consist of (i) trade and other payables; and (ii) income tax payable. The Group's trade payables principally comprise amounts outstanding for trade purchases and other payables mainly consists of other tax payable, other payables and accruals raised from which mainly are accrued audit fee and other operating expenses.

As at 31 March 2023, the net asset of the Group decreased approximately 7.4% from approximately HK\$140.8 million as at 31 March 2022 to approximately HK\$130.4 million. The decrease in net asset of the Group was mainly resulted from the combined effect of the increase in trade receivables and offset by the decrease in cash and bank balances due to the decrease in net asset value of PRC subsidiaries of the Group as the closing rate of Renminbi as at 31 March 2023 was weakened around 8% compared to the closing rate of 31 March 2022.

2. Future Plan and Prospects

The Group is principally engaged in fashion accessories jewellery business. As stated in the 2023 Annual Report, approximately 90% of the Group's revenue was derived from the United States of America (the "U.S.") during FY2023. The demands for consumer goods in the U.S. are expected to be affected by (i) the consumer price index; (ii) the disposable personal income; (iii) the interest rate; and (iv) the unemployment rate.

LETTER FROM AMASSE CAPITAL

According to the U.S. Bureau of Labor Statistics, the consumer price index (“CPI”) in the U.S. had increased by approximately 3.7% on a year-on-year basis in August 2023 when compared to that of approximately 3.2% for July 2023. A higher inflation rate erodes purchasing power of the consumers and may directly affect the affordability of consumer goods. Meanwhile, higher price tags on consumer goods also deter consumers’ spending as higher prices may discourage consumption.

According to the U.S. Bureau of Economic Analysis, the disposable personal income (the “DPI”) of the U.S. for the 2022 was approximately US\$18,703 billion which represented an increase of approximately 0.2% from that of approximately US\$18,664 billion for that 2021. The aforesaid growth rate of the U.S. DPI has shown a trend of slowing down when compared to an average annual growth rate of approximately 6.03% between 2017 and 2021.

The Federal Reserve of the United States of America (the “**Federal Reserve**”) has been on a path of raising interest rates to combat inflation. The interest rate has been increased from 0.5% to 5.5% since mid-March 2022 to mid-September 2023. The high interest rate environment would impact demands for consumer goods, as higher interest rates can encourage saving, discourage borrowing and increase the cost of financing which may lead to a decrease in consumer spending.

According to the statistics provided by the U.S. Bureau of Labor Statistics, the unemployment rate in the U.S. rose to 3.8% in August 2023 from 3.5% in July 2023 which is the highest since February 2022. As the more consumer are expecting to receive a steady income, the more of them are willing to make discretionary spending purchases. Therefore, the higher unemployment rate reported would have adversely affect on the consumer goods demand.

Having considered the above factors, we considered that the consumer goods industry in the U.S. remains uncertainty, we believe the business and operation environments of the Group will remain challenging.

3. 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.

LETTER FROM AMASSE CAPITAL

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'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. For details of the biographical information of Mr. Chen, please refer to the paragraph headed "Appointment of Director" in the "Letter from Blackwell". Mr. Chen does not hold directorship in any listed companies.

4. Intentions of the Offeror in relation to the Group

As disclosed in the "Letter from Blackwell", as at the Latest Practicable Date, the Offeror intended to continue the principal business of the Group and had 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. As disclosed in the "Letter from Blackwell", by 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.

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.

LETTER FROM AMASSE CAPITAL

Proposed change of Board composition of the Company

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. As stated in the “Letter from Blackwell”, 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 mentioned in the “Letter from Blackwell”, as at the Latest Practicable Date, it is the Offeror’s intention 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 is expected to take effect with effect from the earliest time permitted under the Takeovers Code. Save as disclosed, as at the Latest Practicable Date, the Offeror had not reached any final decision as to who would be nominated as the new Directors.

For the biographical details of Mr. Chen, please refer to the “Letter from Blackwell” contained in the Composite Document.

As mentioned in the section headed “4. Intentions of the Offeror in relation to the Group” above, the Offeror had no intention to dispose of the businesses of the Group immediately after completion of the Offer. As mentioned above, Mr. Chen has been the executive director and one of the ultimate shareholders of Rapid Investment Development since 2019. As further disclosed in the “Letter from Blackwell”, 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) (“**New Express Health Management**”), 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. We noted that the Mr. Chen hold senior position as executive director in company which is principally engaged in investment activities with investment in companies engaging in sales and distribution of consumer goods business and Mr. Chen have substantial experiences, being the executive director of Rapid Investment Development and the founder of New Express Health Management, in the sales and distribution of consumer goods industry in the PRC. Accordingly, given Mr. Chen’s background and experience in consumer goods business as well as his management experience, we consider that he may contribute to the business management and enhance efficiency of the Group’s operations by expanding the Group’s product offerings through launching more fashion accessories products and strengthening the Group’s online and offline sales channels.

LETTER FROM AMASSE CAPITAL

5. Public Float and Maintaining the Listing Status of the Company

As stated in the “Letter from Blackwell” contained in the Composite Document, 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 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.

As stated in the “Letter from Blackwell” in the Composite Document, 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.

6. Compulsory Acquisition

As stated in the “Letter from Blackwell” in the Composite Document, 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.

7. Offer Price

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

- (i) a premium of approximately 187.6% over 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;
- (ii) 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;

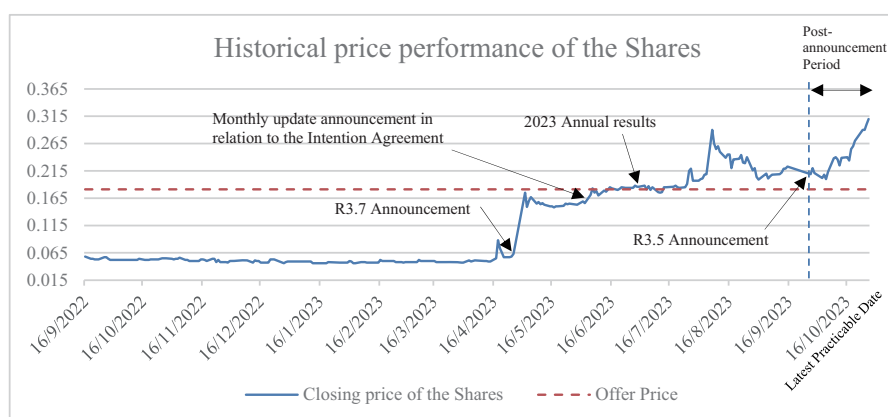
LETTER FROM AMASSE CAPITAL

- (iii) 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;
- (iv) 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;
- (v) 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;
- (vi) a premium of approximately 53.42% to the audited consolidated net asset value of approximately HK\$0.1181 per Share as at 31 March 2023 (calculated based on the audited consolidated net asset value of the Company of approximately HK\$130,396,000 as at 31 March 2023 as extracted from the 2023 Annual Report and 1,103,968,128 Shares (being the number of Shares in issue as at 31 March 2023); and
- (vii) 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.

Historical price performance of the Shares

Set out below is a chart showing the movement of the closing prices of the Shares during the period from 16 September 2022 and up to the Latest Practicable Date (the “**Review Period**”), which covers an approximate one-year period prior to the Last Trading Day and the period up to the Latest Practicable Date, to illustrate the general trend and level of movement of the closing prices of the Shares. We consider that the duration of the Review Period of approximately one year period prior to the Last Trading Day would be a reasonable and sufficient period to illustrate the recent closing price movement of the Shares.

LETTER FROM AMASSE CAPITAL



As shown in chart above, the closing price of the Shares during the Review Period ranges from the lowest closing price of approximately HK\$0.046 per Share recorded on 28 December 2022, 12, 13, 16, 17, 18, 19 January 2023, 2, 3 February 2023 to the highest closing price of approximately HK\$0.310 per Share recorded on the Latest Practicable Date respectively with an average closing price per Share of approximately HK\$0.1163.

The closing prices of the Shares were in general remained stable in the period before 28 April 2023, being the issue date of the announcement of the Company in relation to the Intention Agreement (the “**Rule 3.7 Announcement**”), the daily closing price of the Shares fluctuated between the range from HK\$0.046 per Share recorded on 28 December 2022, 12, 13, 16, 17, 18, 19 January 2023, 2, 3 February 2023 to HK\$0.088 per Share recorded on 18 April 2023, with an average of approximately HK\$0.0509 per Share.

Immediately after the date of the Rule 3.7 Announcement to the Last Trading Day, the daily closing price of the Shares was in an upward trend and fluctuated in a range of between HK\$0.148 to HK\$0.29, reached its peak of HK\$0.29 per Share on 7 August 2023. We have enquired the Directors regarding the possible reasons for such increase in the closing price of the Shares in the above period, and as confirmed by the Directors, the Directors were not aware of any happening which might have affected the closing price of the Shares.

Immediately after the date of the Joint Announcement and to the Latest Practicable Date (the “**Post-announcement Period**”), the daily closing price of the Shares was reached its peak of HK\$ 0.310 per Share recorded on the Latest Practicable Date. We have enquired into the Directors regarding the possible reasons for such increase in the closing price of the Shares in the Post-announcement Period, and as confirmed by the Directors, save as the Offer, the Directors were not aware of any happening which might have affected the closing price of the Shares.

LETTER FROM AMASSE CAPITAL

We noted that the Offer Price had been higher than the daily closing prices for 185 out of 264 trading days during the Review Period. The Offer Price of HK\$0.1812 represents a premium of approximately 293.9% over the lowest closing price per Share, a discount of approximately 41.5% to the highest closing price per Share and a premium of approximately 55.8% over the average closing price per Share during the Review Period, respectively.

We further noted that the closing price of the Shares as at the Latest Practicable Date of HK\$0.310 per Share exceeded the Offer Price and the Offer Price represented a discount of approximately 41.5% to the closing price of the Shares as at the Latest Practicable Date. However, we considered that there is no guarantee on whether the trading price of the Shares could be sustained at a level higher than the Offer Price during and/or after the Offer 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.

After considering that (i) the Offer Price had been higher than the daily closing prices for 185 out of 264 trading days during the Review Period; and (ii) the Offer Price of represents a premium of approximately 293.9% over the lowest closing price per Share and a premium of approximately 55.8% over the average closing price per Share during the Review Period, we are of the view that the Offer Price is fair and reasonable.

Historical trading liquidity of the Shares

The number of trading days, the average daily number of the Shares traded per month (the “**Average Volume**”), and the respective percentages of the Average Volume as compared to the total number of issued Shares during the period from 16 September 2022 and up to the Latest Practicable Date, the Review Period, are tabulated as below:

LETTER FROM AMASSE CAPITAL

Month	Number of trading days in each month <i>Number of days</i>	Average Volume <i>in Shares</i>	Percentage of the Average Volume to total number of issued Shares as at the end of each respective month %	Percentage of the Average Volume to total number of issued Shares held by the public Shareholders as at the end of each respective month %
			<i>(Note 1)</i>	<i>(Note 2)</i>
2022				
September	11	919,091	0.083%	0.232%
October	20	887,950	0.080%	0.222%
November	22	908,627	0.082%	0.229%
December	20	952,876	0.086%	0.241%
2023				
January	18	61,956	0.006%	0.016%
February	20	111,650	0.010%	0.028%
March	23	404,326	0.037%	0.102%
April	15	5,676,547	0.514%	1.434%
May	21	5,848,920	0.530%	1.477%
June	21	2,689,490	0.244%	0.679%
July	20	2,561,618	0.232%	0.647%
August	23	2,328,583	0.211%	0.588%
September	12	3,242,325	0.294%	0.819%
October (up to and including the Latest Practicable Date)	18	2,008,565	0.182%	0.507%

Notes: 1. The calculation is based on the Average Volume divided by the total number of issued Shares at the end of each month during the Review Period (or at the Latest Practicable Date for October 2023).

2. The calculation is based on the Average Volume divided by the total number of issued Shares held by the public Shareholders at the end of each month during the Review Period (or at the Latest Practicable Date for October 2023).

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As illustrated above, during the Review Period, the Average Volume was ranging from 0.006% to 0.530% for the total number of issued Shares as at the end of each respective month (or at the Latest Practicable Date for October 2023). For the whole review period, the Average Volume was around 0.180% and 0.501% of total number of issued Shares and Shares held by public Shareholders respectively and we therefore consider the trading liquidity of the Shares is relatively low when compared to the total number of issued Shares and Shares held by public Shareholders respectively.

On the first trading day (i.e. 27 September 2023) after the Last Trading Date, the daily trading volume of the Shares increased to approximately 7.57 million Shares from approximately 0.58 million Shares as recorded on Last Trading Day (i.e. 15 September 2023). We consider that this increase in the trading volume of the Shares should have been the initial market reaction to the Joint Announcement.

Given the low historical trading volume of the Shares as stated above, it is uncertain as to whether there would be sufficient liquidity in the Shares for the Independent Shareholders to dispose of a significant number of Shares in the open market without exerting a downward pressure on the Share price. Accordingly, the market trading price of the Shares may not necessarily reflect the proceeds that the Independent Shareholders can receive by the disposal of their Shares in the open market. We consider that the Offer provide opportunities for the Independent Shareholders to realise all of their investments in the Company at a fixed price. It is noted that the closing price of the Shares as at the Latest Practicable Date of HK\$0.310 per Share was exceeded the Offer Price, 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.

Comparison with other comparable companies

In assessing the fairness and reasonableness of the Offer Price, it is a general practice to make reference to other comparable companies. We attempt to carry out a comparable analysis with the price-to-earnings ratio (“**PER**”), price-to-book ratio (“**PBR**”) and price-to-sales ratio (“**PSR**”) which are the most commonly used benchmarks in valuing a company as the data for calculating the ratios can be obtained fairly and directly from publicly available information and reflect the value of the companies determined by the open market. However, since the Group had been in poor financial performance which recorded net losses since year ended 31 March 2021 for three consecutive years, therefore the Group is not appropriate for PER comparison purpose.

LETTER FROM AMASSE CAPITAL

For the purpose of our analysis, we have identified comparable companies based on the following criteria: (i) the shares of which are listed on the Main Board of the Stock Exchange; (ii) engages in principal business similar to those of the Group namely, the retail and wholesale of fashion accessories jewellery businesses contributed over 50% of its total revenue for the latest completed financial year; (iii) recorded net asset value in their respective latest published financial information; and (iv) the companies with market capitalisation of below HK\$500 million which is considered as of similar size as compared with the Company.

We noted that approximately 90% of the Group's revenue was derived from the U.S. during FY2023. Based on our preliminary analysis, we only identified one company (i.e. Affluent Partners Holdings Limited) which is listed on the Main Board of the Stock Exchange and engaged in retail and wholesale of fashion accessories jewellery businesses with 50% of its revenue derived from the U.S.. Therefore, in order to maintain the samples size and ensure that we have a meaningful number of comparable companies, we have not included the selection criteria of where its revenue geographically derived. We found 7 Hong Kong listed companies (the "Market Comparables") which meet the said criteria and they are exhaustive. Despite the fact that the geography location of the revenue generated have not been included in the selection criteria, we are of the view that the Market Comparables selected base on the aforesaid selection criteria had covered all companies listed on the Main Board of the Stock Exchange that engaged in retail and wholesale of fashion accessories jewellery businesses and can provide a sufficient sample size for our analysis. Shareholders should note that the businesses, the market capitalisation, operations and prospects of the Group are not exactly the same as the Market Comparables.

Set out below are the PBRs and PSRs of the Market Comparables based on their respective market capitalization as at the Latest Practicable Date and their respective latest published financial information:

Stock Code	Company Name	Principal business	Market Capitalisation (Approximately HK\$)	PBR	PSR
1466	Affluent Partners Holdings Limited	Affluent Partners Holdings Limited is principally engaged in the purchasing, processing, designing, production, wholesaling and distribution of pearls and jewelry products.	460,294,508	5.88	5.30

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Stock Code	Company Name	Principal business	Market Capitalisation (Approximately HK\$)	PBR	PSR
280	King Fook Holdings Limited	King Fook Holdings Limited is principally engaged in gold ornament, jewellery, watch and gift retailing, bullion trading and diamond wholesaling.	340,990,674	0.44	0.38
3326	Perfect Group International Holdings Limited	Perfect Group International Holdings Limited is principally engaged in designing, manufacturing and sales of high-end fine jewellery; development, sales and leasing of the Group's integrated and comprehensive industry park (the " Perfect Group Jewellery Industrial Park ") located in the PRC; and the provision of management services to the Perfect Group Jewellery Industry Park properties and a third-party project.	241,381,620	0.38	0.65
442	Domaine Power Holdings Limited	Domaine Power Holdings Limited is principally engaged in the manufacture and sale of jewelry products.	233,010,000	2.33	1.26
417	Tse Sui Luen Jewellery (International) Limited	Tse Sui Luen Jewellery (International) Limited is principally engaged in jewellery businesses.	229,247,468	0.26	0.09
513	Continental Holdings Limited	Continental Holdings Limited is principally engaged in jewelry and diamond businesses.	157,117,199	0.08	0.39

LETTER FROM AMASSE CAPITAL

Stock Code	Company Name	Principal business	Market Capitalisation (Approximately HK\$)	PBR	PSR
986	China Environmental Energy Investment Limited	China Environmental Energy Investment Limited is mainly engaged in design of jewelry, sales and marketing of jewelry and money lending.	49,198,809	0.13	0.72
			The Offer	1.53	3.14
			Maximum	5.88	5.30
			Minimum	0.08	0.09
			Average	1.36	1.25
			Median	0.38	0.65

Source: the website of the Stock Exchange and the respective interim/annual report of the listed company

Notes:

1. The PBR of the Market Comparables were calculated based upon their respective market capitalization as at the Latest Practicable Date and divided by the equity attributable to the owners of the respective companies disclosed in the respective latest financial reports.
2. The implied PBR of the Offer was calculated based upon the Offer Price multiplied by total number of issued Shares as at the Latest Practicable Date and then divided by the audited consolidated net asset value of the Company attributable to Shareholders of approximately HK\$130,396,000 as at 31 March 2023 as extracted from the 2023 Annual Report.
3. The PSR of the Market Comparables were calculated based upon their respective market capitalization as at the Latest Practicable Date and divided by the revenue of the respective companies disclosed in the respective latest annual reports.
4. The implied PSR of the Offer was calculated based upon the Offer Price multiplied by total number of issued Shares as at the Latest Practicable Date and then divided by the revenue of the Company of approximately HK\$63,692,000 for the year ended 31 March 2023 as extracted from the 2023 Annual Report.

LETTER FROM AMASSE CAPITAL

As depicted from the above table, the PBR of the Market Comparables ranged from approximately 0.08 times to approximately 5.88 times, with a median and average of approximately 0.38 times and 1.36 times. Accordingly, the implied PBR of the Offer of approximately 1.53 times is higher than the median and average of the PBR of the Market Comparables.

It is noted from the above table that the PSR of the Market Comparables ranged from approximately 0.09 times to approximately 5.30 times, with a median and average of approximately 0.65 times and 1.25 times. Accordingly, the implied PSR of the Offer of approximately 3.14 times is higher than the median and average of the PSR of the Market Comparables.

RECOMMENDATION

Mr. Chen will be nominated as an executive Director and the chairman of the Board, given Mr. Chen's background and experience in consumer goods business as well as his management experience, Mr. Chen may contribute to the business management and enhance efficiency of the Group's operations 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. However, having considered the principal factors and reasons as discussed above, in particular:

- (i) the fact that the Group had been loss-making for recorded net losses since year ended 31 March 2021 for three consecutive years. Notwithstanding the financial performance of the Company demonstrated an improvement form for the latest years, as stated in sub-section headed "2. Future Plan and Prospects" above, we considered that the consumer goods industry in the U.S. remains uncertainty and we believe the business and operation environments of the Group will remain challenging;

LETTER FROM AMASSE CAPITAL

- (ii) the Offer Price of HK\$0.1812 is at a price level higher than the daily closing prices of the Shares for 185 out of 264 trading days as quoted on the Stock Exchange during the Review Period. Although the Offer Price represented a discount of approximately 41.5% to the closing price of the Shares as at the Latest Practicable Date of HK\$0.310 per Share, there is no guarantee on whether the trading price of the Shares could be sustained at a level higher than the Offer Price during and/or after the Offer Period;
- (iii) given the low liquidity of the Shares, the Offer provide opportunities for the Independent Shareholders including those with significant shareholding interest to realise all of their investments in the Company at a fixed price;
- (iv) the Offer Price represents a premium of approximately 53.42% to the audited consolidated net asset value of approximately HK\$0.1181 per Share as at 31 March 2023;
- (v) the implied PBR and PSR of the Offer are higher than the average and median of the PBR and PSR of the Market Comparables; and

we are of the opinion that the terms of the Offer and the Offer Price are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to accept the Offer. In view of the volatility of market conditions, those Independent Shareholders who intend to accept the Offer are reminded that they should closely monitor the market price and the liquidity of the 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.

We would like to remind the Shareholders that if they consider retaining their Shares or tendering less than all their Shares under the Offer should carefully consider the potential difficulties they may encounter in disposing their investments in the Shares after the close of the Offer in view of the historical low liquidity of the Shares.

LETTER FROM AMASSE CAPITAL

As different Shareholders would have different investment criteria, objectives and/or circumstances, we would recommend any Shareholders who may require advice in relation to any aspect of the Composite Document, or as to the action to be taken, to consult a licensed securities dealer, bank manager, solicitor, professional accountant, tax adviser or other professional adviser.

Yours faithfully,
For and on behalf of
Amasse Capital Limited
Stephen Lau
Director

Note: Mr. Stephen Lau (“Mr. Lau”) is a licensed person registered with the SFC and a responsible officer of Amasse Capital to carry out Type 6 (advising on corporate finance) and a representative of Amasse Capital to carry out Type 1 (dealing in securities) regulated activities under the SFO. Mr. Lau is also a representative of Amasse Asset Management Limited licensed to carry out Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO and he has over 10 years of experience in the finance industry.

1. GENERAL PROCEDURES FOR ACCEPTANCE OF THE OFFER**THE OFFER**

To accept the Offer, you should complete and sign the accompanying Form of Acceptance in accordance with the instructions printed thereon, which instructions form part of the terms of the Offer.

- (a) 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 Share(s) is/are in your name, and you wish to accept the Offer, you must send the duly completed and signed Form of Acceptance together with the relevant 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), by post or by hand, to the Registrar, Union Registrars Limited at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong in an envelope marked "Artini Holdings Limited — General Offer" to be received by the Registrar no later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and the Offeror and the Company may jointly announce with the consent of the Executive in accordance with the Takeovers Code.
- (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 the name of a nominee company or a name other than your own, and you wish to accept the Offer in respect of your 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 send 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
- (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 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, give your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set by HKSCC Nominees Limited.

- (c) If 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) in respect of your Shares is/are not readily available and/or is/are lost and you wish to accept the Offer in respect of your Shares, the Form of Acceptance should nevertheless be completed, signed and delivered 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 other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares or that it/they is/are not readily available. If you find such document(s) or if it/they become(s) available, 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) should be forwarded to the Registrar as soon as possible thereafter. If you have lost your share certificate(s), 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.
- (d) 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 deliver 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 Blackwell and/or the Offeror or their respective agent(s) to collect from 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 and conditions of the Offer, as if it was/they were delivered to the Registrar with the Form of Acceptance.

- (e) Acceptance of the Offer will be treated as valid only if the completed and signed Form of Acceptance is received by the Registrar 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 in accordance with the Takeovers Code and the Registrar has recorded that the acceptance and the relevant documents as required under this paragraph have been so received, and is:
- (i) accompanied by the relevant 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) and, if the share certificate(s) is/are not in your name, such other documents in order to establish your right to become the registered holder of the relevant Shares; or
 - (ii) from a registered Shareholder or his/her/its personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to Shares which are not taken into account under another sub-paragraph of this paragraph (e)); or
 - (iii) certified by the Registrar or the Stock Exchange.
- (f) If the Form of Acceptance is executed by a person other than the registered Shareholder, appropriate documentary evidence of authority to the satisfaction of the Registrar must be produced.

- (g) Seller's ad valorem stamp duty for transfer of Shares registered in the seller's name by the Company through the Registrar arising in connection with acceptance of the Offer will be payable by the relevant Independent Shareholders at a rate of 0.13% 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, will be deducted from the cash amount payable by the Offeror to such Independent Shareholders on acceptance of the Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Independent Shareholders accepting the Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptances of the Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).
- (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.

2. ACCEPTANCE PERIOD AND REVISIONS

- (a) Unless the Offer has previously been revised or extended, with the consent of the Executive, in accordance with the Takeovers Code, the Form of Acceptance must be received by the Registrar by 4:00 p.m. on the Closing Date in accordance with the instructions printed on the relevant Form of Acceptance, and the Offer will be closed on the Closing Date.
- (b) The Offeror and the Company will jointly issue an announcement in accordance with the Takeovers Code through the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.artini.com.hk) no later than 7:00 p.m. on the Closing Date stating whether the Offer has been extended, revised or has expired.
- (c) In the event that the Offeror decides to extend the Offer, at least 14 days' notice by way of announcement will be given, before the latest time and date for acceptance of the Offer, to those Independent Shareholders who have not accepted the Offer.

- (d) If 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 14 days following the date on which the revised offer document is posted.
- (e) If the Closing Date of the Offer is extended, any reference in this Composite Document and in the Form of Acceptance to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the Closing Date of the Offer so extended.

3. ANNOUNCEMENT

- (a) As required under Rule 19 of the Takeovers Code, 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 whether the Offer has been extended, revised or has expired. Such announcement must state the following:
 - (i) the total number of Shares for which acceptances of the Offer have been received;
 - (ii) the total number of Shares held, controlled or directed by the Offeror and parties acting in concert with it before the Offer Period;
 - (iii) the total number of Shares acquired or agreed to be acquired by the Offeror and parties acting in concert with it during the Offer Period;
 - (iv) details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror and parties acting in concert with it have borrowed or lent, save for any borrowed securities which have been either on-lent or sold; and
 - (v) the percentages of the issued share capital of the Company and the percentages of voting rights of the Company represented by these numbers.

- (b) In computing the total number of Shares represented by acceptances, only valid acceptances in complete and good order 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, unless the Offer is extended or revised with the consent of the Executive, shall be included.
- (c) As required under the Takeovers Code and the Listing Rules, any announcement in relation to the Offer will be published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.artini.com.hk).

4. NOMINEE REGISTRATION

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

5. RIGHT OF WITHDRAWAL

- (a) Acceptance of the Offer tendered by the Independent Shareholders shall be irrevocable and cannot be withdrawn, except in the circumstances set out in subparagraph (b) below.
- (b) If the Offeror is unable to comply with the requirements set out in paragraph headed "3. Announcement" above, the Executive may require pursuant to Rule 19.2 of the Takeovers Code that the Independent Shareholders who have tendered acceptance of the Offer, be granted a right of withdrawal on terms that are acceptable to the Executive until the requirement of Rule 19 of the Takeovers Code can be met.

In such case, when the Independent Shareholders withdraw their acceptance(s), the Offeror shall, as soon as possible but in any event within seven Business Days thereof, return by ordinary post 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) lodged with the Form of Acceptance to the relevant Independent Shareholder(s).

6. SETTLEMENT OF THE OFFER

Provided that the accompanying Form of Acceptance for the Offer Shares, together with 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) are valid, complete and in good order and have been received by the Registrar no later than 4:00 p.m. on the Closing Date, a cheque for the amount due to each of the accepting Independent Shareholders in respect of the Offer Shares tendered under the Offer (less seller's ad valorem stamp duty payable by him/her/it) will be despatched to the accepting Independent Shareholders by ordinary post at his/her/its own risk. The cheque will be despatched as soon as possible but in any event within seven Business Days following the date of receipt of all relevant documents to render such acceptance complete and valid by the Registrar in accordance with the Takeovers Code.

Settlement of the consideration to which any accepting Independent Shareholder is entitled under the Offer will be paid by the Offeror in full in accordance with the terms of the Offer (save in respect of the payment of seller's ad valorem stamp duty, as the case may be) set out in this Composite Document (including this appendix) and the accompanying Form of Acceptance, 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.

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

7. OVERSEAS SHAREHOLDERS

The availability of the Offer to persons who are not residents in Hong Kong may be affected by the laws of the relevant overseas jurisdictions. The making of the Offer to the Independent Shareholders whose registered addresses are in jurisdictions outside Hong Kong may be prohibited or affected by the laws or regulations of the relevant jurisdictions. Such Independent 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 regulatory 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 Overseas Shareholders in respect of such jurisdictions).

8. HONG KONG STAMP DUTY AND TAX IMPLICATIONS

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 Shareholder on acceptance of the Offer. The Offeror will arrange for payment of the seller's 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.

9. GENERAL

- (a) All communications, notices, Form of Acceptance, share certificates, transfer receipts and other documents of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to settle the consideration payable under the Offer 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, and none of the Offeror and parties acting in concert with it, Jun Hui International, the Company, Blackwell, Amasse Capital and their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offer accepts any liability for any loss or any other liabilities whatsoever which may arise as a result thereof.
- (b) Acceptance of the Offer by any person or persons will be deemed to constitute a warranty by such person or persons to the Offeror and Blackwell that the Offer Shares tendered under the Offer (together with all rights attaching to them as at 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, declared, made or paid by the Company on or after the date on which the Offer is made, i.e., the date of this Composite Document), are sold by such person or persons free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature.

- (c) Acceptance of the Offer by any nominee will be deemed to constitute a warranty by such nominee to the Offeror that the number of Shares in respect of which it is indicated in the Form of Acceptance is the aggregate number of Offer Shares held by such nominee for such beneficial owners who accept the Offer.
- (d) The provisions set out in the accompanying Form of Acceptance form part of the terms of the Offer.
- (e) The accidental omission to despatch this Composite Document and/or the accompanying Form of Acceptance or either of them to any person to whom the Offer is made shall not invalidate the Offer in any way.
- (f) The Offer and all acceptances will be governed by and construed in accordance with the laws of Hong Kong.
- (g) Due execution of the Form of Acceptance will constitute an authority to the Offeror and/or Blackwell and/or such person or persons as any of them 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 purpose of vesting in the Offeror, or such person or persons as it may direct the Offer Shares in respect of which such person has accepted the Offer.
- (h) The Offer is made in accordance with the Takeovers Code.
- (i) References to the Offer in this Composite Document and in the Form of Acceptance shall include any extension and/or revision thereof.
- (j) The English text of this Composite Document and of the accompanying Form of Acceptance shall prevail over the Chinese text.

1. FINANCIAL SUMMARY

The following is a summary of the consolidated financial results of the Group for each of the years ended 31 March 2021 (“FY2021”), 31 March 2022 (“FY2022”) and 31 March 2023 (“FY2023”) as extracted from the audited consolidated financial statements of the Company as set out in the annual reports of the Company for each of FY2021, FY2022 and FY2023, respectively.

Summary of the Audited Consolidated Statement of Profit or Loss and Other Comprehensive Income

	FY2023 <i>HK\$'000</i>	FY2022 <i>HK\$'000</i>	FY2021 <i>HK\$'000</i>
Revenue	63,692	76,968	79,397
Cost of sales	<u>(47,513)</u>	<u>(62,915)</u>	<u>(70,200)</u>
Gross profit	16,179	14,053	9,197
Other income	163	77	782
Other gains and losses, net	(1,081)	(3,626)	(4,542)
Selling and distribution expenses	(10,253)	(23,701)	(10,727)
Administrative expenses	(7,908)	(9,015)	(19,439)
Finance costs	<u>(25)</u>	<u>(165)</u>	<u>(165)</u>
Loss before income tax	(2,925)	(22,377)	(24,894)
Income tax credit/(expense)	<u>1,490</u>	<u>-</u>	<u>(1,727)</u>
Loss for the year and loss for the year attributable to owners of the Company	(1,435)	(22,377)	(26,621)
Other comprehensive (expense)/income:			
<i>Items that may be reclassified subsequently to profit and loss:</i>			
Exchange differences arising on translation of foreign operations	<u>(8,921)</u>	<u>4,956</u>	<u>10,714</u>
Other comprehensive (expense)/income for the year, net of income tax	<u>(8,921)</u>	<u>4,956</u>	<u>10,714</u>
<i>Total comprehensive expense for the year and total comprehensive expense for the year attributable to owners of the Company</i>	(10,356)	(17,421)	(15,907)
Loss per share			
- Basic and diluted (HK\$)	<u>(0.001)</u>	<u>(0.020)</u>	<u>(0.024)</u>

No dividend was paid or proposed for each of FY2021, FY2022 and FY2023, nor has any dividend been proposed since 31 March 2023.

The auditors' reports issued by BDO Limited in respect of the consolidated financial statements of the Group for each of FY2021, FY2022 and FY2023 did not contain any modified opinion, emphasis of matter or material uncertainty related to going concern.

Save as disclosed above, there are no other items of income or expense or non-controlling interests which are material for each of FY2021, FY2022 and FY2023.

2. FINANCIAL STATEMENTS OF THE GROUP

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 (i) the audited consolidated financial statements of the Group for FY2021 (the "**2021 Financial Statements**"); (ii) the audited consolidated financial statements of the Group for FY2022 (the "**2022 Financial Statements**"); and (iii) the audited consolidated financial statements of the Group for FY2023 (the "**2023 Financial Statements**"), together with the notes to the relevant published financial statements which are of major relevance to the appreciation of the above financial information.

The 2021 Financial Statements are set out on pages 60 to 120 of the annual report of the Company for FY2021 ("**2021 Annual Report**"), which was published on 28 July 2021. The 2021 Annual Report is posted on the Company's website at <http://www.artini.com.hk>.

Please also see below a direct link to the 2021 Annual Report:

http://artini.com.hk/images/pdf/20210730/eng_1627625224.pdf

The 2022 Financial Statements are set out on pages 65 to 130 of the annual report of the Company for FY2022 ("**2022 Annual Report**"), which was published on 28 July 2022. The 2022 Annual Report is posted on the Company's website at <http://www.artini.com.hk>.

Please also see below a direct link to the 2022 Annual Report:

http://artini.com.hk/images/pdf/20220810/eng_1660094893.pdf

The 2023 Financial Statements are set out on pages 65 to 126 of the annual report of the Company for FY2023 (“**2023 Annual Report**”), which was published on 25 July 2023. The 2023 Annual Report is posted on the Company’s website at <http://www.artini.com.hk>.

Please also see below a direct link to the 2023 Annual Report:

http://artini.com.hk/images/pdf/20230728/eng_1690509428.pdf

The 2021 Financial Statements, the 2022 Financial Statement and the 2023 Financial Statements (but not any other part of the 2021 Annual Report, 2022 Annual Report and the 2023 Annual Report in which they respectively appear) are incorporated by reference into this Composite Document and form part of this Composite Document.

3. NO MATERIAL CHANGE

The Directors confirm that there had been no material change in the financial or trading position or outlook of the Group subsequent to 31 March 2023 (being the date to which the latest published audited consolidated financial statements of the Group were made up) up to and including the Latest Practicable Date.

4. INDEBTEDNESS

As at the close of business on 31 August 2023, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Composite Document, the indebtedness of the Group was as follows:

	<i>HK\$'000</i>
Non-current	
Lease liabilities	7
Current	
Lease liabilities	134
Total	141

As at 31 August 2023, the Group had lease liabilities of approximately HK\$141,000 which was related to present value of lease payments that are not yet paid.

Save as aforesaid and apart from intra-group liabilities, and normal trade payables, the Group did not, as at 31 August 2023, have any material outstanding (i) debt securities, whether issued and outstanding, authorised or otherwise created but unissued, or term loans, whether guaranteed, unguaranteed, secured (whether the security is provided by the Group or by third parties) or unsecured; (ii) other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments, whether guaranteed, unguaranteed, secured or unsecured; (iii) mortgage or charges; or (iv) guarantees or other contingent liabilities.

1. RESPONSIBILITY STATEMENTS

The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this Composite Document (other than the information relating to the Group), and confirm, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this Composite Document (other than the opinion expressed by the Group or the Directors) 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 contained in this Composite Document misleading.

2. MARKET PRICES

The table below sets out the closing prices of the Shares on the Stock Exchange on (i) the last day on which trading took place in each of the calendar months during the Relevant Period; (ii) the Last Trading Day; and (iii) the Latest Practicable Date:

Date	Closing price per Share (HK\$)
31 October 2022	0.054
30 November 2022	0.050
30 December 2022	0.049
31 January 2023	0.050
28 February 2023	0.047
31 March 2023	0.047
26 April 2023	0.063
31 May 2023	0.157
30 June 2023	0.186
31 July 2023	0.197
31 August 2023	0.199
15 September 2023 (being the Last Trading Day)	0.223
29 September 2023	0.211
27 October 2023 (being the Latest Practicable Date)	0.310

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.

3. DISCLOSURE OF INTERESTS

Interests of the Offeror and parties acting in concert with it in the Shares

As at the Latest Practicable Date, details of interests in the Shares, underlying Shares, debentures or other relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company held or controlled by the Offeror and parties acting in concert with it were as follows:

	Capacity	Number of Shares held/interested	Approximate % of interest
Rapid Investment Development ⁽²⁾	Interest in a controlled corporation	708,018,397 Shares (L)	64.13
Mr. Chen ⁽²⁾	Interest in a controlled corporation	708,018,397 Shares (L)	64.13
Ms. Lin Chenjie ⁽³⁾	Interest of spouse	708,018,397 Shares (L)	64.13

Notes:

- The letter "L" denotes long position in the Shares.
- The Offeror is wholly owned by Rapid Investment Development, which is in turn wholly owned by Fuxing Investment Development, a company owned as to 70% by Mr. Chen, 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). Under the SFO, each of Fuxing Investment Development and Mr. Chen is deemed to be interested in the full amount of Shares held by the Offeror.
- Ms. Lin Chenjie is the spouse of Mr. Chen and was deemed, or taken to be, interested in all the Shares which Mr. Chen had, or was deemed to have, an interest for the purpose of the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Offeror, its ultimate beneficial owners, its sole director and parties acting in concert with any of them had any interest in the relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company.

4. ADDITIONAL DISCLOSURE OF INTERESTS AND DEALINGS

As at the Latest Practicable Date:

- (a) save for the acquisition of the Sale Shares under the Agreement (as supplemented by the Supplemental Agreement), none of the Offeror, its ultimate beneficial owners, its sole director or parties acting in concert with any of them had dealt in any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the Relevant Period;
- (b) save for the Sale Shares held by the Offeror, none of the Offeror or parties acting in concert with it (including the sole director of the Offeror) owned or had control or direction over any voting rights or rights over the Shares, options, derivatives, warrants or other securities convertible into Shares;
- (c) none of the Offeror or parties acting in concert with it had received any irrevocable commitment to accept or reject the Offer;
- (d) there was no arrangement of any kind referred to in Note 8 to Rule 22 of the Takeovers Code which existed between the Offeror or any person acting in concert with it or any associates of the Offeror and any other person;
- (e) there was no agreement or arrangement to which either the Offeror is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a precondition or a condition to the Offer;
- (f) none of the Offeror or parties acting in concert with it had entered into any arrangements or contracts in relation to any outstanding derivative in respect of the securities in the Company;
- (g) none of the Offeror or parties acting in concert with it had borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (h) the Offeror had no intention, nor had any of them entered into any agreement, arrangement or understanding to transfer, charge or pledge the Shares acquired in pursuance of the Offer to any other persons;

- (i) save for the Consideration paid by the Offeror to the Vendors under the Agreement, there was no other consideration, compensation or benefit in whatever form paid or to be paid by the Offeror, its ultimate beneficial owners, its sole director or any persons acting in concert with any of them to the Vendors, their respective ultimate beneficial owners or any party acting in concert with any one of them in connection with the acquisition of the Sale Shares;
- (j) there was no understanding, arrangement or agreement which would constitute a special deal (as defined in Rule 25 of the Takeovers Code) between the Offeror, its ultimate beneficial owners, its sole director or any persons acting in concert with any of them, and the Vendors, their respective ultimate beneficial owners and parties acting in concert with them, on the other hand;
- (k) save for the Agreement, no agreement, arrangement or understanding (including any compensation arrangement) existed between the Offeror, its ultimate beneficial owners, its sole director or any persons acting in concert with any of them and any Directors, recent Directors, Shareholders or recent Shareholders having any connection with or was dependent upon the Offer; and
- (l) no benefit (other than statutory compensation) had been and would be given to any Director as compensation for loss of office or otherwise in connection with the Offer.

5. CONSENTS AND QUALIFICATIONS

The following are the names and qualifications of the professional advisers whose letters, opinions or advice are contained or referred to in this Composite Document:

Name	Qualification
Jun Hui International	a licensed corporation permitted to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the financial adviser to the Offeror in respect of the Offer
Blackwell	a corporation licensed to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO, being the offer agent to the Offeror

The above professional advisers have given and have not withdrawn their written consents to the issue of this Composite Document with the inclusion of the text of their letter, advice and/or references to their names, in the form and context in which they appear herein.

6. MISCELLANEOUS

As at the Latest Practicable Date,

- (a) The address of Mr. Chen and Ms. Lin Chenjie (林晨潔) is at 1129, Block B, Building 1, South Coast Plaza, Huizhan Bay, Exhibition Avenue, International Convention and Exhibition Center, Fuhai Street, Bao'an District, Shenzhen, China*.
- (b) The Offeror is a company incorporated in the British Virgin Islands with limited liability. The registered office of the Offeror is situated at Corporate Registrations Limited of Sea Meadow House, (P.O. Box 116), Road Town, Tortola, British Virgin Islands. The correspondence address of the Offeror is at 406, Building 10, South Coast Plaza, Exhibition Bay, Zhancheng Community, Fuhai Street, Bao'an District, Shenzhen, China.
- (c) The Offeror board comprises one director, namely Mr. Chen. Mr. Chen is also the sole director of Rapid Investment Development and Fuxing Investment Development.
- (d) Blackwell is the offer agent making the Offer for and on behalf of the Offeror and its registered office is situated at 26/F, Overseas Trust Bank Building, 160 Gloucester Road, Wan Chai, Hong Kong.
- (e) Jun Hui International is the financial adviser to the Offeror and its registered office is situated at Unit 1406, Office Plus, 93-103 Wing Lok Street, Sheung Wan, Hong Kong.
- (f) In case of inconsistency, the English text of this Composite Document and the Form of Acceptance shall prevail over the Chinese texts.

7. DOCUMENTS ON DISPLAY

Copies of the following documents will be available on display (i) on the website of the SFC (www.sfc.hk); and (ii) the Company's website (www.artini.com.hk) during the period from the date of this Composite Document up to and including the Closing Date:

- (a) the memorandum and articles of association of the Offeror;
- (b) the letter from Blackwell as set out on pages 7 to 16 of this Composite Document;
- (c) the written consents of the experts as referred to under the section headed "5. Consents and Qualifications" in this appendix; and
- (d) this Composite Document and the accompanying Form of Acceptance.

1. RESPONSIBILITY STATEMENT

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than those relating to the Offeror and parties acting in concert with it) 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) 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

The authorised and issued share capital of the Company as at the Latest Practicable Date are as follows:

<i>Authorised</i>	<i>HK\$</i>
<u>6,000,000,000</u> Shares	<u>300,000,000.00</u>
<i>Issued and fully paid</i>	
<u>1,103,968,128</u> Shares	<u>55,198,406.40</u>

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).

All the Shares in issue rank pari passu in all respects with each other including rights to dividends, voting and return of capital. The Company has not issued any Shares since 31 March 2023, the date to which the latest audited financial statements of the Company were made up.

3. DISCLOSURE OF INTERESTS

(a) Interests of the Directors or chief executive of the Company

As at the Latest Practicable Date, none of the Directors or the Company’s chief executive or their respective associates, had any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (a) 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 (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) which were otherwise required to notify the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors (the “**Model Code**”) contained in the Rules Governing the Listing Rules.

(b) Interests of the substantial Shareholders

As at the Latest Practicable Date, to the best knowledge of the Directors, the following person (other than a Director and chief executives of the Company) who had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provision of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Name of Substantial Shareholder	Capacity	Number of issued Shares held (long positions)	Approximate percentage of the issued share capital of the Company
The Offeror	Beneficial Owner	708,018,397	64.13%
Rapid Investment Development	Interest in controlled Corporation	708,018,397	64.13%

Name of Substantial Shareholder	Capacity	Number of issued Shares held (long positions)	Approximate percentage of the issued share capital of the Company
Fuxing Investment Development	Interest in controlled Corporation	708,018,397	64.13%
Mr. Chen	Interest in controlled Corporation	708,018,397	64.13%
Ms. Lin Chenjie (林晨潔)	Interest of spouse	708,018,397	64.13%

Notes:

1. As at the Latest Practicable Date, the Offeror was wholly owned by Rapid Investment Development, which is in turn wholly owned by Fuxing Investment Development, a company owned as to 70% by Mr. Chen, 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). Under the SFO, each of Fuxing Investment Development and Mr. Chen is deemed to be interested in the full amount of Shares held by the Offeror.
2. Ms. Lin Chenjie is the spouse of Mr. Chen and was deemed, or taken to be, interested in all the Shares which Mr. Chen had, or was deemed to have, an interest for the purpose of the SFO.

Save as disclosed in this sub-section headed “Interests of the substantial Shareholders”, to the best knowledge of the Directors, as at the Latest Practicable Date, no person had any interest or short positions in the shares or underlying shares of the Company which are required to be notified to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO.

4. SHAREHOLDINGS AND DEALINGS IN SECURITIES

- (a) during the Relevant Period, neither the Company nor any of the Directors had or had dealt in any interest in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Offeror;
- (b) during the Relevant Period, save for the Vendors' interest in and disposal of the Sale Shares and the 11,000,000 share options (which were lapsed on 14 July 2023) held by each executive Director, namely, Mr. Tse, Ms. Yu Zhonglian and Mr. Tse Kin Lung, none of the Directors had or had dealt in any interest in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company;
- (c) during the Relevant Period, no subsidiary of the Company, or pension fund of the Company or of any other member of the Group, or 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 person who is an associate of the Company by virtue of class (2) of the definition of "associate" under the Takeovers Code (but excluding exempt principal traders and exempt fund managers), owned or controlled or dealt in any interest in relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company;
- (d) during the Relevant Period, no person who has an arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3), or (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), or (4) of the definition of "associate" under the Takeovers Code, owned or controlled or dealt in any interest in relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company;

- (e) during Relevant Period, no Shares or other securities of the Company carrying voting rights or any convertible securities, warrants, options or derivatives of Company were managed on a discretionary basis by fund managers connected with the Company;
- (f) as at the Latest Practicable Date, none of the Directors beneficially own any Shares and accordingly none of them is entitled to the Offer;
- (g) as at the Latest Practicable Date, there were no Shares or other securities of the Company carrying voting rights or convertible securities, warrants, options or derivatives of the Company which the Company and any Directors had borrowed or lent;
- (h) as at the Latest Practicable Date, there was no understanding, arrangement or agreement or special deal between any Shareholders on the one hand, and the Company, its subsidiaries or associated companies on the other hand; and
- (i) as at the Latest Practicable Date, there was no understanding, arrangement or agreement or special deal between any Shareholders on the one hand, and the Offeror, its ultimate beneficial owners and parties acting in concert with any of them on the other hand.

5. LITIGATION

As at the Latest Practicable Date, none of the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and there was no litigation or claim of material importance known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

6. MATERIAL CONTRACTS

There were no material contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Group) which have been entered into by any member of the Group after the date falling two years before commencement of the Offer Period up to and including the Latest Practicable Date.

7. ARRANGEMENT AFFECTING DIRECTORS

As at the Latest Practicable Date, (i) none of the Directors had been given any benefit as compensation for loss of office or otherwise in connection with the Offers; (ii) there was no agreement or arrangement between any Directors and any other persons which is conditional on or dependent upon the outcome of the Offers or otherwise connected with the Offer; and (iii) save for the Agreement, there was no material contracts entered into by the Offeror in which any Director had a material personal interest.

8. DIRECTORS' SERVICE CONTRACTS

Save as disclosed below, as at the Latest Practicable Date, none of the Directors had a service contract with the Company or any of its subsidiaries or associated companies, which: (i) (including both continuous and fixed term contracts) have been entered into or amended within six months before 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:

Name of director	Date of contract	Term/expiry date of the contract	Amount of remuneration
Mr. Tse Hoi Chau	29 June 2018 (as amended with effect from 1 April 2023)	No specific term ^(Note 1)	Fixed remuneration (excluding any pension payments) of HK\$1,200,000 ^(Note 2) per annum with no variable remuneration
Mr. Tse Kin Lung	27 August 2019 (as amended with effect from 1 April 2023)	No specific term ^(Note 1)	Fixed remuneration (excluding any pension payments) of HK\$600,000 ^(Note 3) per annum with no variable remuneration

Notes:

1. The service contract of the relevant Director, subject to retirement and re-election requirement pursuant to the bye-laws of the Company, will continue until terminated by either party by giving at least 3 months' notice in writing.
2. Pursuant to the service contract dated 29 June 2018, the remuneration of Mr. Tse was HK\$120,000 per annum. The remuneration of Mr. Tse was subsequently increased from HK\$10,000 per month to HK\$100,000 per month with effect from 1 April 2023. Save as the aforesaid increase of the monthly remuneration, there is no other amendment to Mr. Tse's service contract within six months before the commencement of the Offer Period.
3. Pursuant to the service contract dated 27 August 2019, the remuneration of Mr. Tse Kin Lung was HK\$40,000 per month. However, as a cost control measure to mitigate the impact of the pandemic, Mr. Tse Kin Lung voluntarily agreed to adjust his monthly remuneration temporarily based on the Company's business condition, and as such, his monthly remuneration varied during 2019 to 2023. Mr. Tse Kin Lung's monthly remuneration was HK\$8,500 for March 2023, and subsequently increased to the amount HK\$50,000 per month with effect from 1 April 2023. Save as the aforesaid increase of the monthly remuneration, there is no other amendment to Mr. Tse Kin Lung's service contract within six months before the commencement of the Offer Period.

9. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinions or advice contained in this Composite Document:

Name	Qualification
Amasse Capital	a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

Amasse Capital has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion herein of its letter, advice, and reference to its name, in the form and context in which they are respectively included.

10. MISCELLANEOUS

- (i) The registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.
- (ii) The head office and principal place of business of the Company is situated at Office 3, 17/F, Shun Feng International Centre, No. 182 Queen's Road East, Wan Chai, Hong Kong.
- (iii) The company secretary of the Company is Ms. Ho Wing Yan. She is an associate member of both The Hong Kong Chartered Governance Institute ("HKCGI") (formerly known as The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators). She is also a holder of the Practitioner's Endorsement issued by HKCGI.
- (iv) The Hong Kong branch share registrar and transfer office of the Company is Union Registrars Limited at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong.
- (v) The English texts of this Composite Document and the Form of Acceptance shall prevail over the Chinese texts, in case of any inconsistency.

11. DOCUMENTS ON DISPLAY

Copies of the following documents will be available on display (i) on the website of the SFC (www.sfc.hk); and (ii) on the website of the Company (www.artini.com.hk) during the period from the date of this Composite Document up to and including the Closing Date:

- (a) the memorandum of association and bye-laws of the Company;
- (b) the annual reports of the Company for each of the two financial years ended 31 March 2022 and 2023;
- (c) the letter from the Board, the text of which is set out in this Composite Document;
- (d) the letter from the Independent Board Committee, the text of which is set out in this Composite Document;
- (e) the letter from the Independent Financial Adviser, the text of which is set out in this Composite Document;
- (f) the service contracts as referred to in the section headed "Directors' Service Contracts" in this appendix;
- (g) the written consent referred to in the section headed "Expert and consent" in this appendix; and
- (h) this Composite Document and the accompanying Form of Acceptance.