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**HONG KONG LIANFENG PROPERTY
COMPANY LIMITED**

(incorporated in Hong Kong with limited liability)

**Asia Grocery Distribution Limited
亞洲富思集團控股有限公司**

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8413)

JOINT ANNOUNCEMENT

- (1) PRE-CONDITIONAL VOLUNTARY CASH PARTIAL OFFER BY
TFI SECURITIES AND FUTURES LIMITED AND
SHENWAN HONGYUAN CAPITAL (H.K.) LIMITED
FOR AND ON BEHALF OF THE OFFEROR TO ACQUIRE
A MAXIMUM OF 755,300,000 OFFER SHARES OF
ASIA GROCERY DISTRIBUTION LIMITED
FROM QUALIFYING SHAREHOLDERS;
(2) APPOINTMENT OF
JOINT INDEPENDENT FINANCIAL ADVISERS;
AND
(3) RESUMPTION OF TRADING IN SHARES**

Joint Financial Advisers to the Offeror



TFI Capital Limited



Shenwan Hongyuan Capital (H.K.) Limited

Financial Adviser to the Company



Joint Independent Financial Advisers to the Independent Board Committee



Cinda International Capital Limited



THE PARTIAL OFFER

The Offeror and the Company jointly announce that TFI Securities and Shenwan Hongyuan, for and on behalf of the Offeror, will make a pre-conditional voluntary cash partial offer to the Qualifying Shareholders to acquire a minimum of 590,000,000 Offer Shares (representing approximately 50.77% of the Company's issued share capital as at the date of this joint announcement) and up to a maximum of 755,300,000 Offer Shares (representing 65.00% of the Company's issued share capital as at the date of this joint announcement) at the Offer Price of HK\$0.258 per Offer Share. **The Offer Price will not be increased, and the Offeror does not reserve the right to do so. Shareholders and potential investors of the Company should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Offer Price.**

Pre-Conditions to the Partial Offer

The making of the Partial Offer is subject to the satisfaction of the following Pre-Conditions:

- (a) Consent from the Executive in respect of the Partial Offer pursuant to Rule 28.1 of the Takeovers Code;
- (b) Approval from the State-owned Assets Supervision and Administration Commission of Hubei Provincial People's Government; and
- (c) Up to and including the time when the Pre-Conditions set out in (a) and (b) above are satisfied, (i) no Authorities in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry, or enacted or made or publicly proposed any of the foregoing, and (ii) there having been no outstanding statute, regulation, demand or order, in each case that would make the Partial Offer void, unenforceable or illegal or prohibit the implementation of or which would impose any material conditions, limitations or obligations with respect to the Partial Offer.

An application has been made to the Executive in relation to the Pre-Condition (a).

Conditions to the Partial Offer

The Partial Offer, if being made, will be subject to the fulfilment or waiver (if applicable) of the following Conditions:

- (a) valid acceptances being received (and not, where permitted, withdrawn) in respect of the Minimum Number of Offer Shares (i.e. 590,000,000 Offer Shares) and which would result in the Offeror holding the interest in not less than 50.77% of the Shares in issue at or before 4:00 p.m. (Hong Kong time) on the First Closing Date, provided that the Offeror shall purchase from the Qualifying Shareholders as many Offer Shares as are tendered by the Qualifying Shareholders up to the Maximum Number of Offer Shares (i.e. 755,300,000 Offer Shares), representing 65.00% of the Company's issued share capital as at the date of this joint announcement;
- (b) approval of the Partial Offer pursuant to Rule 28.5 of the Takeovers Code by Qualifying Shareholders who are registered as Shareholders in the register of members of the Company as at the First Closing Date holding over 50% of the Shares not held by the Offeror or any parties acting in concert with the Offeror, signified by means of a separate tick box on the Form of Approval and Acceptance specifying the number of Shares in respect of which the Partial Offer is approved;
- (c) the Shares remaining listed and traded on the GEM of the Stock Exchange up to the Final Closing Date save for any temporary suspension(s) of trading of the Shares and no indication being received on or before the Closing Date from the SFC and/or the Stock Exchange to the effect that the listing of the Shares on the Stock Exchange is or is likely to be withdrawn;
- (d) up to and including the time when the Condition set out in (a) above is satisfied, (i) no Authorities in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry, or enacted or made or publicly proposed any of the foregoing, and (ii) there having been no outstanding statute, regulation, demand or order, in each case which would make the Partial Offer void, unenforceable or illegal or prohibit implementation of the Partial Offer or which would impose any material conditions, limitations or obligations with respect to the Partial Offer; and
- (e) up to and including the time when the Condition set out in (a) above is satisfied, there having been no material adverse change in the business, assets, financial or trading positions or prospects or conditions (whether operational, legal or otherwise) of the Group to an extent which is material in the context of the Group taken as a whole.

The Offeror intends to maintain the listing status of the Shares on the Stock Exchange upon completion of the Partial Offer.

CONFIRMATION OF FINANCIAL RESOURCES

Assuming valid acceptance of the Partial Offer for the relevant number of Offer Shares has been tendered by the Qualifying Shareholders and based on the Offer Price of HK\$0.258 per Offer Share, the total cash consideration payable by the Offeror to purchase (a) the Maximum Number of Offer Shares from the Qualifying Shareholders under the Partial Offer will be approximately HK\$194,867,400; and (b) the Minimum Number of Offer Shares from the Qualifying Shareholders under the Partial Offer will be approximately HK\$152,220,000.

The Offeror will finance the consideration payable under the Partial Offer by internal financial resources.

TFI Capital and Shenwan Hongyuan, as the joint financial advisers to the Offeror, are satisfied that sufficient financial resources are available to the Offeror to satisfy the maximum consideration payable by the Offeror under the Partial Offer.

BENEFITS TO THE SHAREHOLDERS

Upon the Partial Offer becoming or being declared unconditional in all respects, each Qualifying Shareholder:

- (a) will receive a payment of HK\$0.258 in cash for every Offer Share in respect of which that Qualifying Shareholder validly accepts the Partial Offer and which is taken up by the Offeror under the Partial Offer (less the seller's ad valorem stamp duty arising therefrom); and
- (b) will have the opportunity of retaining an interest in the Company going forward which will maintain its listing status on the GEM of the Stock Exchange and therefore, will be able to enjoy any further potential upside from any retained ownership in the Company post the Partial Offer.

IRREVOCABLE UNDERTAKING

As at the date of this joint announcement, Sky Alpha holds 602,800,000 Shares, representing approximately 51.88% of the issued share capital of the Company.

Amongst 602,800,000 Shares held by Sky Alpha, 562,800,000 SA Physical Shares are legally held in physical certificated form registered in the name of Sky Alpha and 40,000,000 SA Custodian Shares are deposited in the securities account of Sky Alpha maintained with China Prospect Securities Limited and are within the control of the Administrators as a consequence of the Administrative Proceeding. China Prospect Securities Limited and/or the Administrators might not be able to duly process and comply with any instructions given by Sky Alpha to deal with or transfer the SA Custodian Shares as additional time may be required for the Administrators to investigate the status of client assets (including the SA Custodian Shares) held by China Prospect Securities Limited.

On 10 December 2025, Sky Alpha gave an Irrevocable Undertaking in favor of the Offeror. Pursuant to the Irrevocable Undertaking, Sky Alpha has irrevocably undertaken to the Offeror to (i) accept the Partial Offer in respect of 562,800,000 SA Physical Shares held by it, representing approximately 48.43% of the issued share capital of the Company as at the date of this joint announcement; (ii) use its reasonable endeavour to obtain the consent, approval or authorisation of the Administrators to accept the Partial Offer and to procure the transfer of 27,200,000 SA Custodian Shares to the Offeror; and (iii) not accept the Partial Offer in respect of 12,800,000 SA Custodian Shares.

Sky Alpha has also agreed that, during the term of its Irrevocable Undertaking, it shall not sell, transfer, charge, encumber, grant any option over or otherwise dispose of any interest in any Shares.

The Irrevocable Undertaking shall terminate if (a) the consent to make the Partial Offer pursuant to Rule 28.1 of the Takeovers Code is not granted by the Executive; (b) the Pre-Conditions are not satisfied on or prior to the Pre-Condition Long Stop Date; (c) the Partial Offer lapsed or is withdrawn, whichever is earlier.

INDEPENDENT BOARD COMMITTEE AND JOINT INDEPENDENT FINANCIAL ADVISERS

In accordance with Rules 2.1 and 2.8 of the Takeovers Code, the Independent Board Committee, comprising all INEDs, namely Ms. Chan Hoi Yee, Mr. Shum Ching Hei and Mr. Wang Zhaobin, has been established to make a recommendation to the Qualifying Shareholders as to whether the Partial Offer is fair and reasonable, and as to approval and acceptance of the Partial Offer.

Cinda and Rainbow have been appointed as the Joint Independent Financial Advisers by the Company with the approval of the Independent Board Committee to advise the Independent Board Committee in respect of the Partial Offer and in particular as to whether the Partial Offer is fair and reasonable, and as to approval and acceptance of the Partial Offer pursuant to Rule 2.1 of the Takeovers Code.

DESPATCH OF THE COMPOSITE DOCUMENT

It is the intention of the Offeror and the Board to combine the offer document and the offeree board circular into the Composite Document which sets out, among other things, (i) the terms of the Partial Offer; (ii) the recommendation from the Independent Board Committee to the Qualifying Shareholders; (iii) the letter of advice from the Joint Independent Financial Advisers to the Independent Board Committee in respect of the Partial Offer; and (iv) the Form of Approval and Acceptance. The Composite Document will, subject to the satisfaction of the Pre-Conditions, be despatched to the Shareholders no later than 21 days after the date of this joint announcement in accordance with the Takeovers Code.

Qualifying Shareholders are encouraged to read the Composite Document carefully, including the advice of the Joint Independent Financial Advisers to the Independent Board Committee and the recommendation from the Independent Board Committee to the Qualifying Shareholders in respect of the Partial Offer, before deciding whether or not to approve and accept the Partial Offer.

RESUMPTION OF TRADING IN SHARES

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:00 a.m. on 12 November 2025 pending the issue of this joint announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 11 December 2025.

WARNING

As the making of the Partial Offer is subject to the fulfilment of the Pre-Conditions, the making of the Partial Offer is only a possibility. Further, completion of the Partial Offer is subject to the fulfilment of the Conditions. The Partial Offer may or may not become unconditional and will lapse if it does not become unconditional. Accordingly, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. Persons who are in doubt about their positions, they should consult their professional advisers.

THE PARTIAL OFFER

The Offeror and the Company jointly announce that TFI Securities and Shenwan Hongyuan, for and on behalf of the Offeror, will make a pre-conditional voluntary cash partial offer to the Qualifying Shareholders to acquire a minimum of 590,000,000 Offer Shares (representing approximately 50.77% of the Company's issued share capital as at the date of this joint announcement) and up to a maximum of 755,300,000 Offer Shares (representing 65.00% of the Company's issued share capital as at the date of this joint announcement) at the Offer Price of HK\$0.258 per Offer Share. The reasons for the Offeror to set the Minimum Number of Offer Shares at 50.77% of the issued share capital of the Company (i.e. 590,000,000 Offer Shares) are (i) to acquire statutory control of the Company; and (ii) to set the number of Offer Shares to the nearest 10 million shares due to administrative purposes.

As at the date of this joint announcement, the Company has 1,162,000,000 Shares in issue. The Offeror and parties acting in concert with it do not hold any Shares, convertible securities, warrants or options in respect of the Shares or any other voting rights or rights over the Shares in the Company.

Offer Price

The Partial Offer will be made at the following price:

For each Offer Share HK\$0.258 in cash

The Offer Price will not be increased, and the Offeror does not reserve the right to do so. Shareholders and potential investors of the Company should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Offer Price.

The Offer Shares to be acquired by the Offeror from the Qualifying Shareholders shall be fully paid, free from all liens, charges, encumbrances, rights of pre-emption and any other third-party rights of any nature and together with all rights and benefits at any time accruing and attaching thereto, including all rights to any dividend or other distributions the record date of which falls on or after the Final Closing Date. The Company confirms that as at the date of this joint announcement, (i) it has not declared any dividend or other distribution which remains unpaid; and (ii) it does not have any intention to make, declare or pay any further dividend or make other distributions between the date of this joint announcement and the Final Closing Date.

If, after the date of this joint announcement and up to the Final Closing Date, any dividend and distributions is declared in respect of the Offer Shares and the record date of which falls on or before the Final Closing Date, the Offeror reserves the right to reduce the Offer Price by an amount equal to the amount of such dividend or distributions declared, made or paid in respect of each Offer Share, in which case any reference in this joint announcement, the Composite Document or any other announcement or document to the Offer Price will be deemed to be a reference to the Offer Price as so reduced.

Pre-Conditions to the Partial Offer

The making of the Partial Offer is subject to the satisfaction of the following Pre-Conditions:

- (a) Consent from the Executive in respect of the Partial Offer pursuant to Rule 28.1 of the Takeovers Code;
- (b) Approval from the State-owned Assets Supervision and Administration Commission of Hubei Provincial People's Government; and
- (c) Up to and including the time when the Pre-Conditions set out in (a) and (b) above are satisfied, (i) no Authorities in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry, or enacted or made or publicly proposed any of the foregoing, and (ii) there having been no outstanding statute, regulation, demand or order, in each case that would make the Partial Offer void, unenforceable or illegal or prohibit the implementation of or which would impose any material conditions, limitations or obligations with respect to the Partial Offer.

An application has been made to the Executive in relation to the Pre-Condition (a).

As at the date of this joint announcement, the Offeror has obtained the approval from Hubei Provincial Development and Reform Commission and Department of Commerce of Hubei Province in relation to the Partial Offer. An application has been made to the State-owned Assets Supervision and Administration Commission of Hubei Provincial People's Government in relation to the Pre-Condition (b).

The Pre-Conditions set out in (a), (b) and (c) cannot be waived by the Offeror. If any of the Pre-Conditions is not satisfied on or before the Pre-Condition Long Stop Date (i.e. 11 June 2026 (or such later date as the Offeror may in its sole discretion determine and in all cases, as permitted by the Executive)), the Partial Offer will not be made by the Offeror.

The Offeror will issue a further announcement as soon as practicable: (i) after all of the Pre-Conditions have been satisfied; or (ii) if any of the Pre-Conditions has not been satisfied on or before the Pre-Condition Long Stop Date and the Partial Offer will not be made.

WARNING: The Pre-Conditions must be satisfied before the making of the Partial Offer. Therefore, the making of the Partial Offer is only a possibility. Accordingly, Shareholders and potential investors of the Company are advised to exercise caution when dealing in securities of the Company.

Conditions to the Partial Offer

The Partial Offer, if being made, will be subject to the fulfilment of the following Conditions:

- (a) valid acceptances being received (and not, where permitted, withdrawn) in respect of the Minimum Number of Offer Shares (i.e. 590,000,000 Offer Shares) and which would result in the Offeror holding the interest in not less than 50.77% of the Shares in issue at or before 4:00 p.m. (Hong Kong time) on the First Closing Date, provided that the Offeror shall purchase from the Qualifying Shareholders as many Offer Shares as are tendered by the Qualifying Shareholders up to the Maximum Number of Offer Shares (i.e. 755,300,000 Offer Shares), representing 65.00% of the Company's issued share capital as at the date of this joint announcement;
- (b) approval of the Partial Offer pursuant to Rule 28.5 of the Takeovers Code by Qualifying Shareholders who are registered as Shareholders in the register of members of the Company as at the First Closing Date holding over 50% of the Shares not held by the Offeror or any parties acting in concert with the Offeror, signified by means of a separate tick box on the Form of Approval and Acceptance specifying the number of Shares in respect of which the Partial Offer is approved;
- (c) the Shares remaining listed and traded on the GEM of the Stock Exchange up to the Final Closing Date save for any temporary suspension(s) of trading of the Shares and no indication being received on or before the Closing Date from the SFC and/or the Stock Exchange to the effect that the listing of the Shares on the Stock Exchange is or is likely to be withdrawn;
- (d) up to and including the time when the Condition set out in (a) above is satisfied, (i) no Authorities in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry, or enacted or made or publicly proposed any of the foregoing, and (ii) there having been no outstanding statute, regulation, demand or order, in each case which would make the Partial Offer void, unenforceable or illegal or prohibit implementation of the Partial Offer or which would impose any material conditions, limitations or obligations with respect to the Partial Offer; and
- (e) up to and including the time when the Condition set out in (a) above is satisfied, there having been no material adverse change in the business, assets, financial or trading positions or prospects or conditions (whether operational, legal or otherwise) of the Group to an extent which is material in the context of the Group taken as a whole.

The Offeror reserves the right to waive, in whole or in part, the Conditions set out in (d) and (e). The Conditions set out in (a), (b) and (c) above cannot be waived. If any of the Conditions is not satisfied or, if capable of being waived, waived on or before the Conditions Long Stop Date, the Partial Offer will lapse. Further announcement(s) will be made as and when appropriate in respect of the satisfaction or, if capable of being waived, waiver of the Conditions.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Partial Offer if the circumstances which give rise to the right to invoke any such Condition(s) are of material significance to the Offeror in the context of the Partial Offer.

As at the date of this joint announcement, the Offeror is not aware of any circumstances which may result in any of the Conditions set out in (c), (d) and (e) above not being satisfied.

In the event that valid acceptances are received:

- (i) for less than the Minimum Number of Offer Shares by the First Closing Date, unless the First Closing Date is extended in accordance with the Takeovers Code, the Partial Offer will not proceed and will lapse immediately; and
- (ii) for not less than the Minimum Number of Offer Shares and which would result in the Offeror holding the interest in not less than 50.77% of the Shares in issue on or before the First Closing Date, the Offeror will declare the Partial Offer unconditional as to acceptances on or before the First Closing Date.

Pursuant to Rule 15.1 of the Takeovers Code, the Partial Offer must initially be open for acceptance for at least 21 days following the Despatch Date.

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

Accordingly, if the Partial Offer is declared unconditional as to acceptances on or before the 7th day after the Despatch Date, then the Final Closing Date would be on (but no earlier than) the First Closing Date. If the Partial Offer is declared unconditional as to acceptances later than the 7th day after the Despatch Date, then the Final Closing Date would be 14 days after the date of such declaration.

If by the Final Closing Date, the Partial Offer has not been approved for the purpose of Rule 28.5 of the Takeovers Code by Qualifying Shareholders who are registered as Shareholders on the register of members of the Company as at the First Closing Date holding over 50% of the Shares not held by the Offeror and parties acting in concert with it, the Partial Offer will lapse.

Under Rule 28.5 of the Takeovers Code, a partial offer which could result in the offeror holding 30% or more of the voting rights in a company must normally be conditional on the approval by shareholders holding over 50% of the voting rights not held by the offeror and parties acting in concert with it by means of signifying their approval on a separate box on the form of acceptance.

Whether or not the Qualifying Shareholders accept the Partial Offer, they (other than parties acting in concert with the Offeror) may approve the Partial Offer AND specify the number of Offer Shares in respect of which they signify their approval of the Partial Offer on the Form of Approval and Acceptance.

WARNING: Shareholders and potential investors of the Company should note that the making of the Partial Offer is subject to the satisfaction of the Pre-Conditions and the Partial Offer, if being made, will be subject to the satisfaction or waiver (if applicable) of the Conditions. Accordingly, the Partial Offer may or may not become unconditional and will lapse if it does not become unconditional. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. Persons who are in doubt about their positions, they should consult their professional advisers.

VALUE OF THE PARTIAL OFFER

Comparison of value

The Offer Price of HK\$0.258 per Offer Share represents:

- (i) a premium of approximately 124% over the closing price of HK\$0.115 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 126% over the average of the closing prices of HK\$0.114 per Shares as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including the Last Trading Day;
- (iii) a premium of approximately 124% over the average of the closing prices of HK\$0.115 per Shares as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day;
- (iv) a premium of approximately 136% over the average of the closing prices of HK\$0.109 per Shares as quoted on the Stock Exchange for the last 30 consecutive trading days up to and including the Last Trading Day;
- (v) a premium of approximately 200% to the audited consolidated net asset value attributable to the Shareholders of approximately HK\$0.086 per Share as at 31 March 2025, calculated based on the audited consolidated net asset value attributable to the Shareholders of approximately HK\$99.9 million as at 31 March 2025 and 1,162,000,000 Shares in issue as at the date of this joint announcement; and
- (vi) a premium of approximately 201% to the unaudited consolidated net asset value attributable to the Shareholders of approximately HK\$0.086 per Share as at 30 September 2025, calculated based on the unaudited consolidated net asset value attributable to the Shareholders of approximately HK\$99.6 million as at 30 September 2025 and 1,162,000,000 Shares in issue as at the date of this joint announcement.

Highest and lowest Share prices

During the six-month period immediately preceding the date of this joint announcement and up to and including the Last Trading Day (i.e. from 11 June 2025 to 11 December 2025):

- (a) the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.141 per Share on 11 June 2025, 12 June 2025 and 13 June 2025; and
- (b) the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.09 per Share on 25 September 2025.

Total consideration of the Partial Offer

Assuming valid acceptance of the Partial Offer for the relevant number of Offer Shares has been tendered by the Qualifying Shareholders and based on the Offer Price of HK\$0.258 per Offer Share, the total cash consideration payable by the Offeror to purchase (a) the Maximum Number of Offer Shares from the Qualifying Shareholders under the Partial Offer will be approximately HK\$194,867,400 and (b) the Minimum Number of Offer Shares from the Qualifying Shareholders under the Partial Offer will be approximately HK\$152,220,000.

As at the date of this joint announcement, the Company does not have in issue any outstanding options, warrants, derivatives or securities that carry a right to subscribe for or which are convertible into the Shares.

Confirmation of financial resources

The Offeror will finance the consideration payable under the Partial Offer by internal financial resources.

TFI Capital and Shenwan Hongyuan, as the joint financial advisers to the Offeror, are satisfied that sufficient financial resources are available to the Offeror to satisfy the maximum consideration payable by the Offeror under the Partial Offer.

OTHER TERMS OF THE PARTIAL OFFER

Acceptance of the Partial Offer

The Qualifying Shareholders may accept the Partial Offer in respect of some or all of the Offer Shares held by them.

Subject to the Partial Offer becoming unconditional in all respects: (i) if valid acceptances are received for not less than the Minimum Number of Offer Shares, but not more than the Maximum Number of Offer Shares as at the Final Closing Date, all Offer Shares validly accepted will be taken up; and (ii) if valid acceptances are received for more than the Maximum Number of Offer Shares as at the Final Closing Date, the total number of Offer Shares to be taken up by the Offeror from each accepting Qualifying Shareholder will be determined by the total number of Offer Shares tendered for acceptance in accordance with the following formula:

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

A = the Maximum Number of Offer Shares as at the Final Closing Date, being the maximum number of Offer Shares for which the Partial Offer is made (i.e. 755,300,000 Shares)

B = the total number of Offer Shares validly tendered by all Qualifying Shareholders under the Partial Offer

C = the number of Offer Shares tendered by the relevant individual Qualifying Shareholder under the Partial Offer

Partial nature of the Partial Offer and effect of fractions

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

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

Odd lots

Shareholders should note that acceptance of the Partial Offer may result in their holding odd lots of Shares. Accordingly, it is intended that a designated broker will be appointed by the Offeror to match sales and purchases of odd lot holdings of Shares in the market for a reasonable time period following the close of the Partial Offer to enable such Shareholders to dispose of their odd lots or to top up their odd lots to whole board lots. Details of such arrangement will be disclosed in the Composite Document.

Effect of accepting the Partial Offer

Acceptance of the Partial Offer by any Qualifying Shareholder will constitute a warranty by such Qualifying Shareholder to the Offeror that the Shares sold by it to the Offeror under the Partial Offer are fully paid, free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights and benefits at any time accruing and attaching thereto, including all rights to any dividend or other distributions the record date of which falls on or after the Final Closing Date. The Company confirms that as at the date of this joint announcement, (i) it has not declared any dividend or other distribution which remains unpaid; and (ii) it does not have any intention to make, declare or pay any further dividend or make other distributions between the date of this joint announcement and the Final Closing Date.

If, after the date of this joint announcement and up to the Final Closing Date, any dividend and distributions is declared in respect of the Offer Shares and the record date of which falls on or before the Final Closing Date, the Offeror reserve the right to reduce the Offer Price by an amount equal to the amount of such dividend or distributions declared, made or paid in respect of each Offer Share, in which case any reference in this joint announcement, the Composite Document or any other announcement or document to the Offer Price will be deemed to be a reference to the Offer Price as so reduced.

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

Settlement of consideration

Settlement of the consideration payable by the Offeror in respect of acceptance of the Partial Offer will be made as soon as possible but in any event no later than seven (7) business days (as defined in the Takeovers Code) after the Final Closing Date. Further details regarding the timing of settlement of the consideration payable by the Offeror in respect of acceptance of the Partial Offer will be set out in the Composite Document.

IRREVOCABLE UNDERTAKING

As at the date of this joint announcement, Sky Alpha holds 602,800,000 Shares, representing approximately 51.88% of the issued share capital of the Company.

Amongst 602,800,000 Shares held by Sky Alpha, 562,800,000 SA Physical Shares are legally held in physical certificated form registered in the name of Sky Alpha and 40,000,000 SA Custodian Shares are deposited in the securities account of Sky Alpha maintained with China Prospect Securities Limited and are within the control of the Administrators as a consequence of the Administrative Proceeding. China Prospect Securities Limited and/or the Administrators might not be able to duly process and comply with any instructions given by Sky Alpha to deal with or transfer the SA Custodian Shares as additional time may be required for the Administrators to investigate the status of client assets (including the SA Custodian Shares) held by China Prospect Securities Limited.

On 10 December 2025, Sky Alpha gave an Irrevocable Undertaking in favor of the Offeror. Pursuant to the Irrevocable Undertaking, Sky Alpha has irrevocably undertaken to the Offeror to (i) accept the Partial Offer in respect of 562,800,000 SA Physical Shares held by it, representing approximately 48.43% of the issued share capital of the Company as at the date of this joint announcement; (ii) use its reasonable endeavour to obtain the consent, approval or authorisation of the Administrators to accept the Partial Offer and to procure the transfer of 27,200,000 SA Custodian Shares to the Offeror; and (iii) not accept the Partial Offer in respect of 12,800,000 SA Custodian Shares.

Sky Alpha has also agreed that, during the term of its Irrevocable Undertaking, it shall not sell, transfer, charge, encumber, grant any option over or otherwise dispose of any interest in any Shares.

The Irrevocable Undertaking shall terminate if (a) the consent to make the Partial Offer pursuant to Rule 28.1 of the Takeovers Code is not granted by the Executive; (b) the Pre-Conditions are not satisfied on or prior to the Pre-Condition Long Stop Date; and (c) the Partial Offer lapsed or are withdrawn, whichever is earlier.

Sky Alpha is an investment holding company incorporated in the British Virgin Islands with limited liability and is beneficially owned as to 58.38% by Mr. Wong Siu Man, an executive Director, 38.92% by Mr. Wong Siu Wa, an executive Director and 2.7% by Glory Concord, respectively. Glory Concord is owned as to 50% by Grand Clover and 50% by Delta Group. Grand Clover is wholly owned by Mr. Chow Lap King Brian. Delta Group is wholly owned by Anka Capital which is owned as to 50% by Mr. Tam Cheuk Ho and 50% by Mr. Wong Wah On Edward. There is no relationship, agreement, arrangement or understanding between Sky Alpha, its shareholders and their respective ultimate beneficial owners on the one hand, and the Offeror and its concert parties on the other hand, apart from the Irrevocable Undertaking.

As at the date of this joint announcement, apart from the Irrevocable Undertaking, neither the Offeror nor any person acting in concert with it has received any indication or irrevocable commitment from any Qualifying Shareholder to accept or reject the Partial Offer.

SHAREHOLDING STRUCTURE OF THE COMPANY AND EFFECT OF THE PARTIAL OFFER

Assuming that there will be no change to the issued share capital of the Company between the date of this joint announcement and up to the Closing Date, the shareholding structure of the Company, as at the date of this joint announcement and immediately upon completion of the Partial Offer, is set out below:

| | As at the date of this joint announcement | | Immediately upon completion of the Partial Offer | | | |
|--|--|------------------|---|------------------|---|------------------|
| | | | Assuming the Qualifying Shareholders tendering such number of Shares resulting in the Offeror purchasing the Minimum Number of Offer Shares under the Partial Offer ⁽⁵⁾ | | Assuming the Qualifying Shareholders tendering such number of Shares resulting in the Offeror purchasing the Maximum Number of Offer Shares under the Partial Offer ⁽⁶⁾ | |
| | No. of Shares | Approximate % | No. of Shares | Approximate % | No. of Shares | Approximate % |
| The Offeror and parties acting in concert with it⁽³⁾ | | | | | | |
| Offeror | – | – | 590,000,000 ^{(2), (4)} | 50.77% | 755,300,000 ⁽⁴⁾ | 65.00% |
| Shareholder providing Irrevocable Undertaking | | | | | | |
| Sky Alpha ^{(1), (2)} | 602,800,000 | 51.88% | 12,800,000 ⁽⁴⁾ | 1.11% | 215,028,507 ⁽⁴⁾ | 18.51% |
| Sub-total | 602,800,000 | 51.88% | 602,800,000 | 51.88% | 970,328,507 | 83.51% |
| Other Shareholders | | | | | | |
| Public Shareholders | 559,200,000 | 48.12% | 559,200,000 | 48.12% | 191,671,493 | 16.49% |
| Total | 1,162,000,000 | 100.00% | 1,162,000,000 | 100.00% | 1,162,000,000 | 100.00% |

Notes:

1. Sky Alpha is beneficially owned as to 58.38% by Mr. Wong Siu Man, an executive Director, 38.92% by Mr. Wong Siu Wa, an executive Director and 2.7% by Glory Concord, respectively. Mr. Wong Siu Man and Mr. Wong Siu Wa are therefore deemed to be interested in 602,800,000 Shares under the SFO. Glory Concord is owned as to 50% by Grand Clover and 50% by Delta Group. Grand Clover is wholly owned by Mr. Chow Lap King Brian. Delta Group is wholly owned by Anka Capital which is owned as to 50% by Mr. Tam Cheuk Ho and 50% by Mr. Wong Wah On Edward. Amongst 602,800,000 Shares held by Sky Alpha, 562,800,000 SA Physical Shares are legally held in physical certificated form registered in the name of Sky Alpha and 40,000,000 SA Custodian Shares are deposited in the securities account of Sky Alpha maintained with China Prospect Securities Limited and are within the control of the Administrators as a consequence of the Administrative Proceeding.

2. Based on the Irrevocable Undertaking, Sky Alpha will (i) accept the Partial Offer in respect of 562,800,000 SA Physical Shares; (ii) use its reasonable endeavour to obtain the consent, approval or authorisation of the Administrators to accept the Partial Offer and to procure the transfer of 27,200,000 SA Custodian Shares to the Offeror; and (iii) not accept the Partial Offer in respect of 12,800,000 SA Custodian Shares.
3. TFI Capital and Shenwan Hongyuan are the joint financial advisers to the Offeror in connection with the Partial Offer. Accordingly, TFI Capital and members of the TFI Capital group and Shenwan Hongyuan and members of the Shenwan Hongyuan group are presumed to be acting in concert with the Offeror in respect of the Company in accordance with class (5) of the definition of “acting in concert” under the Takeovers Code.

As at the date of this joint announcement, except for holdings, borrowings, lendings or dealings by members of the TFI Capital group and Shenwan Hongyuan group on behalf of non-discretionary investment clients, members of the TFI Capital group and Shenwan Hongyuan group did not own or control any Shares (or convertible securities, warrants, options or derivatives in respect thereof) of the Company, nor were there borrowings or lendings, or dealings for value in any Shares (or convertible securities, warrants, options or derivatives in respect thereof) by any members of the TFI Capital group and Shenwan Hongyuan group during the 6-months period immediately preceding the date of this joint announcement and up to and including the date of this joint announcement.

4. For illustrative purpose only, it is assumed that Sky Alpha will tender 562,800,000 SA Physical Shares and 27,200,000 SA Custodian Shares for acceptance under the Partial Offer pursuant to the Irrevocable Undertaking. However, as disclosed in the section headed “Irrevocable Undertaking”, the tendering of the 27,200,000 SA Custodian Shares will be subject to obtaining the consent, approval or authorisation of the Administrators and thus might not be able to be processed in time due to the Administrative Proceeding.
5. On the assumption that all Shares tendered for acceptance under the Partial Offer are 562,800,000 SA Physical Shares and 27,200,000 SA Custodian Shares.
6. On the assumption that Sky Alpha tendered acceptance in respect of 562,800,000 SA Physical Shares and 27,200,000 SA Custodian Shares while other Shareholders tendered all their Shares for acceptance under the Partial Offer.
7. Apart from the Shares owned by Sky Alpha, no other director held any interest in the Shares immediately prior to or after the completion of the Partial Offer.
8. The percentages are subject to rounding adjustments and may not add up to 100%.

As at the date of this joint announcement, there are 1,162,000,000 Shares in issue and all 1,162,000,000 Shares are held by the Qualifying Shareholders.

Save as aforesaid, as at the date of this joint announcement, the Company has no other shares, options, warrants, derivatives or other securities that are convertible or exchangeable into Shares or other types of equity interest.

Pursuant to Rule 28.3 of the Takeovers Code, if the Partial Offer becomes unconditional in all respects, the Offeror and parties acting in concert with it (including any other person who is subsequently acting in concert with any of them) may not acquire voting rights in the Company during the 12-month period immediately following the end of the Offer Period, except with the consent of the Executive.

PUBLIC FLOAT

As at the date of this joint announcement, the Company has a public float of approximately 48.12% of the Shares in issue. Assuming (i) full acceptances of the Maximum Number of Offer Shares under the Partial Offer by the Qualifying Shareholders and (ii) that there are no changes to the issued share capital of the Company between the date of this joint announcement and up to the Closing Date, the public float of the Company will decrease from approximately 48.12% to 16.49%. The sole director of the Offeror and the new directors of the Offeree to be appointed (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. In the meantime, Sky Alpha also voluntarily undertakes to the Company that, in the event that the public float of the Company falls below 25% immediately after closing of the Partial Offer, it will use its best endeavour (which may include the initiation of the placing down or on-market disposal of its Shares at commercially reasonable terms) to assist the Company in the restoration of public float. The Offeror and Sky Alpha considers that the appropriate actions to be taken after the close of the Partial Offer shall include, among others, placing down of sufficient number of Shares by the Offeror and/or Sky Alpha where appropriate. Assuming the Maximum Number of Offer Shares were acquired under the Partial Offer and only 16.49% of the Shares were held by the public, the Offeror and/or Sky Alpha may need to place down approximately 98,828,507 Shares to restore the public float of the Company back to 25%. The Offeror intends to maintain the listing status of the Shares on the Stock Exchange upon completion of the Partial Offer.

REASONS FOR AND BENEFITS OF THE PARTIAL OFFER AND INTENTION OF THE OFFEROR

When determining the Maximum Number of Offer Shares and the Minimum Number of Offer Shares, the Offeror have taken into account the interests of the Company, the Qualifying Shareholders and the Offeror itself. The Offeror is of the view that the Partial Offer will benefit all the aforesaid parties.

Benefits to the Company and the Offeror

The Company has been a prominent leader in Hong Kong's food and beverage grocery distribution industry for over 50 years, since the 1970s. Leveraging its extensive market experience, the Company has established itself as a one-stop solution provider, offering comprehensive services including product procurement, quality control, warehousing and logistics, as well as a range of value-added services. Its customer base primarily comprises local restaurants, hotels, food processors, and wholesalers, supported by an extensive sales network across Hong Kong.

The Offeror, a leading manufacturer of agricultural and byproducts in Hubei Province, PRC, is of the view that the Company represents a unique and highly attractive platform that complements the core operations of the Offeror and its parent company in China by way of a vertical integration of its downstream distributor. The Offeror believes that the Partial Offer will bring together the core competencies of both the Offeror and the Company and unlock significant strategic value.

Aligning with the PRC's national "Go Global" strategy and the new "dual-circulation" development paradigm, the Offeror expects that the Partial Offer will not only generate strong industrial synergies and growth opportunities for both the Offeror and the Company, but also facilitate the expansion of the Offeror's business and enhance the market competitiveness of Hubei's agricultural by-products within Hong Kong's end markets.

Overall, the Offeror believes this transaction will create complementary advantages for both parties, supporting their respective growth strategies and ultimately delivering significant value to consumers in Hong Kong.

Benefits to the Shareholders

Upon the Partial Offer becoming or being declared unconditional in all respects, each Qualifying Shareholder:

- (i) will receive a payment of HK\$0.258 in cash for every Offer Share in respect of which that Qualifying Shareholder validly accepts the Partial Offer and which is taken up by the Offeror under the Partial Offer (less the seller's ad valorem stamp duty arising therefrom); and
- (ii) will have the opportunity of retaining an interest in the Company going forward which will maintain its listing on the GEM and therefore, will be able to enjoy any further potential upside from any retained ownership in the Company post the Partial Offer.

Intention of the Offeror

With the completion of the Partial Offer, the Offeror intends to continue the existing businesses and the employment of employees of the Group. The Company will continue to be led by its existing Chairman (i.e. Wong Siu Man) and retain its current brand identity and culture of the Company. The Offeror has no intention to introduce any major redeployment of fixed assets to the Group which is not in the ordinary course of business. The Offeror considers that the Group should continue to review its strategy and focus to best suit the operating environment of the Group.

Proposed changes to the board composition of the Company

It is expected that there will be changes in the board composition of the Company at, or after, the earliest time permitted under the Takeovers Code or by the Executive. Any such changes will only take effect in accordance with the applicable laws and regulations including the Takeovers Code and the GEM Listing Rules and in compliance with any requirements of any relevant authorities.

INFORMATION ON THE OFFEROR

The Offeror is a company incorporated in the Hong Kong with limited liability. As at the date of this joint announcement, the Offeror is a direct wholly owned subsidiary of Hubei Cereals, Oils & Foodstuffs Import and Export Group Co. Ltd, which in turn is a direct wholly owned subsidiary of Hubei Agricultural Development Group, a 100% state-owned enterprise under the direct administration of the State-owned Assets Supervision and Administration Commission of the State Council of Hubei Provincial People's Government. The Offeror is principally engaged in investment holding.

Hubei Cereals, Oils & Foodstuffs Import and Export Group Co. Ltd and Hubei Agricultural Development Group are PRC state-owned enterprises and the leading manufacturer of agricultural and byproducts in Hubei Province, PRC.

INFORMATION ON THE GROUP

The Company is a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the GEM of the Stock Exchange (Stock Code: 8413). The Company is principally engaged in the food and beverage grocery distribution business in Hong Kong.

The following table contains certain financial information of the Group for the two financial years ended 31 March 2024 and 2025 and the six months ended 30 September 2024 and 2025 as extracted from the Company's annual report for the year ended 31 March 2025 and the Company's interim report for the six months ended 30 September 2025, respectively:

| | For the financial year ended | | For the six months ended | |
|--------------------------------------|-------------------------------------|-----------------|---------------------------------|-----------------|
| | 31 March | | 30 September | |
| | 2025 | 2024 | 2025 | 2024 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> |
| | (audited) | (audited) | (unaudited) | (unaudited) |
| Revenue | 302,544 | 292,476 | 137,074 | 148,288 |
| Net profit/(loss) before taxation | 2,017 | 1,878 | (119) | 70 |
| Net profit/(loss) after taxation | 1,061 | 1,864 | (377) | (97) |

The consolidated net asset value of the Group as at 31 March 2025 and 31 March 2024 were approximately HK\$99,932,000 and HK\$98,871,000 respectively; and as at 30 September 2025, the unaudited consolidated net asset value of the Group was HK\$99,555,000.

GENERAL

Independent Board Committee and Joint Independent Financial Advisers

In accordance with Rules 2.1 and 2.8 of the Takeovers Code, the Independent Board Committee, comprising all INEDs, namely Ms. Chan Hoi Yee, Mr. Shum Ching Hei and Mr. Wang Zhaobin, has been established to make a recommendation to the Qualifying Shareholders as to whether the Partial Offer is fair and reasonable, and as to approval and acceptance of the Partial Offer.

Cinda and Rainbow have been appointed as the Joint Independent Financial Advisers by the Company with the approval of the Independent Board Committee to advise the Independent Board Committee in respect of the Partial Offer and in particular as to whether the Partial Offer is fair and reasonable, and as to approval and acceptance of the Partial Offer pursuant to Rule 2.1 of the Takeovers Code.

Despatch of the Composite Document

It is the intention of the Offeror and the Board to combine the offer document and the offeree board circular into the Composite Document which sets out, among other things, (i) the terms of the Partial Offer; (ii) the recommendation from the Independent Board Committee to the Qualifying Shareholders; (iii) the letter of advice from the Joint Independent Financial Advisers to the Independent Board Committee in respect of the Partial Offer; and (iv) the Form of Approval and Acceptance. The Composite Document will, subject to the satisfaction of the Pre-Conditions, be despatched to the Shareholders no later than 21 days after the date of this joint announcement in accordance with the Takeovers Code.

Qualifying Shareholders are encouraged to read the Composite Document carefully, including the advice of the Joint Independent Financial Advisers to the Independent Board Committee and the recommendation from the Independent Board Committee to the Qualifying Shareholders in respect of the Partial Offer, before deciding whether or not to approve and accept the Partial Offer.

Overseas Shareholders

The availability of the Partial Offer to persons who are not resident in Hong Kong may be affected by the applicable laws of the relevant jurisdiction in which they reside. Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements in their own jurisdictions and, where necessary, seek their own legal advice. It is the responsibility of those Shareholders who wish to accept the Partial Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Partial Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Shareholders in respect of such jurisdictions).

Acceptance of the Partial Offer by any Shareholder will be deemed to constitute a representation and warranty from such Shareholder to the Offeror that the local laws and requirements have been complied with and that the Partial Offer can be accepted by such Shareholder lawfully under the laws of the relevant jurisdiction. Shareholders should consult their professional advisers if in doubt.

In the event that the despatch of the Composite Document to any overseas Shareholders is prohibited by any relevant law or may only be effected after compliance with conditions or requirements that are unduly burdensome, subject to the Executive's waiver, the Composite Document may not be despatched to such overseas Shareholders. The Offeror will apply for such waivers as may be required by the Executive pursuant to Note 3 to Rule 8 of the Takeovers Code at such time.

Hong Kong stamp duty

In Hong Kong, the seller's ad valorem stamp duty arising in connection with acceptance of the Partial Offer will be payable by the relevant Qualifying Shareholders at a rate of 0.1% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptance of the Partial Offer, whichever is higher, which will be deducted from the cash amount payable by the Offeror to such Qualifying Shareholder on acceptance of the Partial Offer (where the stamp duty calculated includes a fraction of HK\$1, the stamp duty will be rounded-up to the nearest HK\$1). The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Qualifying Shareholders accepting the Partial Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptance of the Partial Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

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

Interests and other arrangements

As at the date of this joint announcement,

- (i) save as disclosed in the section headed “SHAREHOLDING STRUCTURE OF THE COMPANY AND EFFECT OF THE PARTIAL OFFER” above, none of the Offeror, the Offeror’s Shareholder and parties acting in concert with any of them hold any Shares, convertible securities, warrants or options in respect of Shares or any other voting rights or rights over the Shares;
- (ii) save as disclosed in the section headed “IRREVOCABLE UNDERTAKING” above, none of the Offeror, the Offeror’s Shareholder and parties acting in concert with any of them has received any irrevocable commitment to accept or not to accept, approve or not to approve the Partial Offer;
- (iii) none of the Offeror, the Offeror’s Shareholder and parties acting in concert with any of them has entered into any outstanding derivatives in respect of securities in the Company;
- (iv) there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of the Offeror or the Shares and which might be material to the Partial Offer (as referred to in Note 8 to Rule 22 of the Takeovers Code);
- (v) save as disclosed in the sections headed “PRE-CONDITIONS TO THE PARTIAL OFFER” and “CONDITIONS TO THE PARTIAL OFFER” of this joint announcement, there is no agreement or arrangement to which any one of the Offeror, the Offeror’s Shareholder and parties acting in concert with any of them is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Partial Offer;
- (vi) none of the Offeror, the Offeror’s Shareholder and parties acting in concert with any of them has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company, save for any borrowed Shares which have been either on-lent or sold;

- (vii) other than the Offer Price under the Partial Offer, there is no other consideration, compensation or benefit in whatever form paid or to be paid by the Offeror, the Offeror's Shareholder and parties acting in concert with any of them in connection with the Partial Offer;
- (viii) there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Offeror, the Offeror's Shareholder and parties acting in concert with any of them on the one hand, and Shareholders or parties acting in concert with them on the other hand; and
- (ix) there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between any Shareholder on the one hand and the Company, its subsidiaries or associated companies on the other hand.

None of the Offeror, the Offeror's Shareholders and parties acting in concert with any of them has acquired any voting rights or rights over Shares during the six months immediately prior to the date of this joint announcement and up to and including the date of this joint announcement.

Dealings disclosure

In accordance with Rule 3.8 of the Takeovers Code, the respective associates of the Company and the Offeror (as defined under the Takeovers Code and including but not limited to any person who owns or controls 5% or more of any class of relevant securities of the Company) are reminded to disclose their dealings in the relevant securities of the Company pursuant to the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below.

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7-day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

RESUMPTION OF TRADING IN SHARES

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:00 a.m. on 12 November 2025 pending the issue of this joint announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 11 December 2025.

WARNING

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their own professional advisers.

DEFINITIONS

Unless the context requires otherwise, the following expressions shall have the following meanings in this joint announcement:

| | |
|-----------------------------|--|
| “acting in concert” | has the meaning given to it under the Takeovers Code |
| “Administrative Proceeding” | the appointment of the Administrators by the High Court of The Hong Kong Special Administrative Region as the joint and several administrators of China Prospect Securities Limited |
| “Administrators” | Ms. Chu Ching Man Karen and Mr. Cheng Man Lung, both of Deloitte Touche Tohmatsu, appointed by the High Court of The Hong Kong Special Administrative Region as the joint and several administrators of China Prospect Securities Limited on 9 July 2025 |
| “Anka Capital” | Anka Capital Limited, a company incorporated in the British Virgin Islands with limited liability and owned as to 50% by Mr. Tam Cheuk Ho and 50% by Mr. Wong Wah On Edward |
| “associate(s)” | has the meaning given to it under the Takeovers Code |

| | |
|-----------------------------|---|
| “Authority” | any national, provincial, local, or similar government, governmental, regulatory or administrative authority, agency or commission or any court, tribunal, or judicial or arbitral body |
| “Board” | the board of Directors |
| “Cinda” | Cinda International Capital Limited, a licensed corporation under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being one of the Joint Independent Financial Advisers to the Independent Board Committee in respect of the Partial Offer |
| “Closing Date” | the First Closing Date of the Partial Offer or any subsequent closing date of the Partial Offer as may be extended or revised in accordance with the Takeovers Code |
| “Company” | Asia Grocery Distribution Limited (亞洲富思集團控股有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the GEM of the Stock Exchange (Stock Code: 8413) |
| “Composite Document” | the composite document to be jointly despatched by the Offeror and the Company to all Shareholders in connection with the Partial Offer in compliance with the Takeovers Code |
| “Conditions” | the conditions to which the Partial Offer is subject, as set out under the section headed “Conditions to the Partial Offer” of this joint announcement |
| “Conditions Long Stop Date” | 11 September 2026, or such later date as the Offeror may in its sole discretion determine and in all cases, as permitted by the Executive |
| “Delta Group” | Delta Group Investments Limited, a company incorporated in the British Virgin Islands and wholly owned by Anka Capital |

| | |
|-----------------------------------|---|
| “Despatch Date” | the date of despatch of the Composite Document to the Shareholders as required by the Takeovers Code |
| “Director(s)” | director(s) of the Company |
| “Executive” | the Executive Director of the Corporate Finance Division of the SFC or any delegates of the Executive Director |
| “Final Closing Date” | the date which is (i) the 14th day after the date on which the Partial Offer is declared unconditional as to acceptances or (ii) the First Closing Date, whichever is the later, provided that the Partial Offer will be open for acceptance for at least 21 days following the Despatch Date |
| “Final Settlement Date” | the date on which all consideration payable by the Offeror under the Partial Offer is paid in full pursuant to the Takeovers Code |
| “First Closing Date” | the date stated in the Composite Document as the first closing day of the Partial Offer, which shall be at least 21 days following the Despatch Date, or such later date as may be extended by the Offeror in accordance with the Takeovers Code |
| “Form of Approval and Acceptance” | the form of approval and acceptance in respect of the Partial Offer accompanying the Composite Document |
| “GEM” | the GEM of the Stock Exchange |
| “GEM Listing Rules” | the Rules Governing the Listing of Securities on GEM |
| “Glory Concord” | Glory Concord Limited, a company incorporated in the Republic of Seychelles with limited liability and owned as to 50% by Grand Clover and 50% by Delta Group |
| “Grand Clover” | Grand Clover Limited, a company incorporated in the Republic of Seychelles with limited liability and wholly owned by Mr. Chow Lap King Brian |
| “Group” | the Company and its subsidiaries |

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| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Hubei Agricultural Development Group” | Hubei Agricultural Development Group Co. Ltd.* (湖北農業發展集團有限公司), which is directly wholly owned by the State-owned Assets Supervision and Administration Commission of Hubei Provincial People’s Government |
| “Independent Board Committee” | an independent board committee of the Company, comprising all INEDs, formed for the purpose of making a recommendation to the Qualifying Shareholders in respect of the Partial Offer, and as to approval and acceptance of the Partial Offer |
| “INEDs” | Ms. Chan Hoi Yee, Mr. Shum Ching Hei and Mr. Wang Zhaobin, each being an independent non-executive Director and a member of the Independent Board Committee as at the date of this joint announcement and “INED” shall mean any one of them |
| “Irrevocable Undertaking” | the irrevocable undertaking dated 10 December 2025 given by Sky Alpha in respect of the Partial Offer, details of which are set out in the section headed “Irrevocable Undertaking” |
| “Joint Independent Financial Advisers” | the joint independent financial advisers, namely Cinda and Rainbow, appointed by the Company and approved by the Independent Board Committee for the purpose of advising the Independent Board Committee in respect of the Partial Offer |
| “Last Trading Day” | 11 November 2025, being the last trading day for the Shares immediately before the publication of this joint announcement |
| “Listing” | the listing of the Shares on the Main Board of the Stock Exchange |

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|----------------------------------|---|
| “Maximum Number of Offer Shares” | the maximum number of Offer Shares to be purchased by the Offeror from the Qualifying Shareholders, being 755,300,000 Offer Shares, representing 65.00% of the Company’s issued share capital as at the date of this joint announcement |
| “Minimum Number of Offer Shares” | the minimum number of Offer Shares required to be tendered for acceptance by Qualifying Shareholders, being 590,000,000 Offer Shares, representing approximately 50.77% of the Company’s issued share capital as at the date of this joint announcement |
| “Offer Period” | has the meaning ascribed to it under the Takeovers Code which commences on the date of this joint announcement and ends on the date on which the Partial Offer closes or lapses |
| “Offer Price” | HK\$0.258 for each Offer Share payable by the Offeror to the Qualifying Shareholders accepting the Partial Offer |
| “Offer Share(s)” | the Shares held by the Qualifying Shareholders which are subject to the Partial Offer |
| “Offeror” | Hong Kong Lianfeng Property Company Limited (香港聯豐物產有限公司), a company incorporated in Hong Kong with limited liability, a direct wholly owned subsidiary of Hubei Cereals, Oils & Foodstuffs Import and Export Group Co. Ltd* |
| “Offeror’s Shareholder” | Hubei Cereals, Oils & Foodstuffs Import and Export Group Co. Ltd* (湖北省糧油食品進出口集團有限公司), a company incorporated in PRC with limited liability, a direct wholly owned subsidiary of Hubei Agricultural Development Group* |
| “Partial Offer” | the pre-conditional voluntary cash partial offer to be made by TFI Securities and Shenwan Hongyuan on behalf of the Offeror to the Qualifying Shareholders to acquire a maximum of 755,300,000 Offer Shares on the terms and conditions set out in this joint announcement and to be set out in the Composite Document, and in compliance with the Takeovers Code |

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|--------------------------------|--|
| “PRC” | the People’s Republic of China which, for the purpose of this joint announcement, shall exclude Hong Kong, the Macao Special Administrative Region and Taiwan |
| “Pre-Condition(s)” | the pre-condition(s) to the making of the Partial Offer as set out under the section headed “Pre-Conditions to the Partial Offer” of this joint announcement |
| “Pre-Condition Long Stop Date” | 11 June 2026, or such later date as the Offeror may in its sole discretion determine and in all cases, as permitted by the Executive |
| “Qualifying Shareholder” | Shareholder other than the Offeror and parties acting in concert with it, and “Qualifying Shareholders” shall be construed accordingly |
| “Rainbow” | Rainbow Capital (HK) Limited, a licensed corporation under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being one of the Joint Independent Financial Advisers to the Independent Board Committee in respect of the Partial Offer |
| “relevant securities” | has the meaning ascribed to it under Note 4 to Rule 22 of the Takeovers Code |
| “rights over shares” | has the meaning ascribed to it under the Takeovers Code |
| “SA Custodian Shares” | 40,000,000 Shares held through China Prospect Securities Limited in a securities account in the name of Sky Alpha |
| “SA Physical Shares” | 562,800,000 Shares legally held by Sky Alpha as at the date of this joint announcement in physical certificated form |
| “SFC” | the Securities and Futures Commission of Hong Kong |

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| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “Share” | an ordinary share with a nominal value of HK\$0.01 each in the share capital of the Company, and “Shares” shall be construed accordingly |
| “Shareholder” | a holder of any Share(s), and “Shareholders” shall be construed accordingly |
| “Shenwan Hongyuan” | Shenwan Hongyuan Capital (H.K.) Limited (申萬宏源融資(香港)有限公司), a corporation licensed by the SFC to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities, which shall make the Partial Offer for and on behalf of the Offeror, and one of the joint financial advisers to the Offeror |
| “Sky Alpha” | Sky Alpha Investments Limited, a company incorporated in British Virgin Islands with limited liability and owned as to 58.38% by Mr. Wong Siu Man, 38.92% by Mr. Wong Siu Wa and 2.7% by Glory Concord respectively |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “subsidiaries” | has the meaning ascribed to it under the GEM Listing Rules |
| “Takeovers Code” | the Hong Kong Code on Takeovers and Mergers published by the SFC, as amended, supplemented or otherwise modified from time to time |
| “TFI Capital” | TFI Capital Limited (天風國際資本市場有限公司), a corporation licensed to conduct Type 6 (advising on corporate finance) regulated activities, one of the joint financial advisers to the Offeror |

“TFI Securities”

TFI Securities and Futures Limited (天風國際證券與期貨有限公司), a corporation licensed to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts) and Type 4 (advising on securities) regulated activities, which shall make the Partial Offer for and on behalf of the Offeror

“%”

per cent.

By Order of the board of
Hong Kong Lianfeng Property Company Limited
Dai Jingfang
Director

By Order of the board of
Asia Grocery Distribution Limited
Wong Siu Man
Chairman and Executive Director

Hong Kong, 10 December 2025

As at the date of this joint announcement, the executive Directors are Mr. Wong Siu Man (Chairman), Mr. Wong Siu Wa and Mr. Yip Kam Cheong and the independent non-executive Directors are Ms. Chan Hoi Yee, Mr. Shum Ching Hei and Mr. Wang Zhaobin.

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this joint announcement (other than the information 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 joint announcement (other than those expressed by the sole director of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, the sole director of the Offeror is Ms. Dai Jingfang and the directors of Hubei Agricultural Development Group are Mr. Yang Liangfeng, Mr. Zhao Zhibin, Mr. Hao Jian, Mr. Mou Renyan, Ms. Bao Xiaolan and Mr. Guo Xiaobo.

The sole director of the Offeror and the directors of Hubei Agricultural Development Group jointly and severally accept full responsibility for the accuracy of information contained in this joint announcement (other than the information relating to the Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

This announcement will remain on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk on the “Latest Listed Company Information” page for at least 7 days from the date of its posting and on the website of the Company at www.agdl.com.hk.

* For identification purpose only