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If you are in any doubt as to any aspect of this Response Document or as to 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 **PT International Development Corporation Limited**, you should at once hand this Response Document to the purchaser(s) or transferee(s), or to the bank, 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 the transferee(s).

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PT INTERNATIONAL DEVELOPMENT CORPORATION LIMITED

保 德 國 際 發 展 企 業 有 限 公 司 *

(Incorporated in Bermuda with limited liability)

(Stock code: 372)

**RESPONSE DOCUMENT RELATING TO VOLUNTARY
CASH OFFER BY HEAD & SHOULDERS SECURITIES LIMITED FOR AND
ON BEHALF OF MARCHING GREAT LIMITED TO ACQUIRE ALL
THE ISSUED SHARES OF PT INTERNATIONAL DEVELOPMENT
CORPORATION LIMITED (OTHER THAN THOSE SHARES ALREADY
OWNED BY MARCHING GREAT LIMITED AND PARTIES ACTING IN
CONCERT WITH IT)**

Independent Financial Adviser to the Independent Board Committee



Capitalised terms used on this cover page shall have the same meanings as defined in this Response Document, unless the context requires otherwise.

A letter from the Board is set out on pages 5 to 10 of this Response Document. A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders as to whether the terms of the Offer are, or are not, fair and reasonable and as to acceptance of the Offer is set out on pages 11 to 12 of this Response Document. A letter from the Independent Financial Adviser containing its advice and recommendation to the Independent Board Committee in respect of the Offer is set out on pages 13 to 47 of this Response Document.

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EXPECTED TIMETABLE

The timetable reproduced below is extracted from the Offer Document, with appropriate changes as to certain defined terms. The timetable is indicative only and is subject to change. Any change to the timetable below will be announced by the Offeror. Unless otherwise expressly stated, all time and date references in the timetable below refer to Hong Kong time and dates.

2025

Despatch date of the Offer Document and the accompanying Form of Acceptance and commencement date of the Offer ^(Note 1)	Thursday, 24 April
Commencement date of the Offer ^(Note 1)	Thursday, 24 April
The Offer having become unconditional in all respects	Friday, 2 May
Despatch date of this Response Document ^(Note 2)	Thursday, 22 May
Latest time and date for acceptance of the Offer on the Closing Date ^(Notes 3, 4 and 5)	4:00 p.m. on Thursday, 5 June
Announcement of the results of the Offer and the level of acceptance as at the Closing Date on the website of the Stock Exchange ^(Note 3)	no later than 7:00 p.m. on Thursday, 5 June
Latest date for posting of remittances for amounts due in respect of valid acceptances received under the Offer at or before 4:00 p.m. on the Closing Date, being the latest time and date by which the Offer remain open for acceptances ^(Note 6)	Monday, 16 June

Notes:

1. The Offer is made on Thursday, 24 April 2025, being the date of the Offer Document, and is capable of acceptance on and from that date until 4:00 p.m. (Hong Kong time) on the Closing Date, unless the Offeror revises or extends the Offer in accordance with the Takeovers Code.
2. In accordance with the Takeovers Code, the Company is required to post this Response Document no later than 14 days after the date of the Offer Document, unless the Executive consents to a later date. Such consent will only be given if the Offeror agrees to extend the closing date by the number of days in respect of which the delay in the posting of this Response Document is agreed. As disclosed in the Delay Announcement, an application had been made to the Executive pursuant to Rule 8.4 of the Takeovers Code for his consent to extend the deadline for the despatch of the Response Document to a date falling on or before 22 May 2025 as additional time is required to finalise the information to be contained in the Response Document. The Executive had granted consent to the extension of the latest time for the despatch of the Response Document up to 22 May 2025. The Offeror has agreed to such extension and the Executive has granted such consent.

EXPECTED TIMETABLE

3. In accordance with the Takeovers Code, where this Response Document is posted after the date on which the Offer Document is posted, the Offer must initially be open for acceptance for at least 28 days after the date of the Offer Document. As disclosed in the Delay Announcement, pursuant to Rule 8.4 of the Takeovers Code, the Offeror had agreed to extend the closing date of the Offer by the same number of days as the number of days of delay in despatch of the Response Document. As disclosed in the announcement dated 2 May 2025 jointly issued by the Offeror and the Company the (“**Unconditional Announcement**”), the Offeror had announced, as at 2 May 2025, it received valid acceptances of a total of 64,729,940 Offer Shares representing approximately 21.38% of the entire issued share capital of the Company as at the date of the Unconditional Announcement which, together with the Shares already held by the Offeror and parties acting in concert with it, would result in the Offeror and parties acting in concert with it holding more than 50% of the voting rights of the Company. In accordance with Rule 15.3 of the Takeovers Code, where the 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. The Offer will be closed at 4:00 p.m. (Hong Kong time) on the Closing Date unless the Offeror revises or extends the Offer in accordance with the Takeovers Code. The Offeror has the right under the Takeovers Code to extend the Offer until such date as it may determine subject to compliance with the Takeovers Code (or as permitted by the Executive in accordance with the Takeovers Code). An announcement will be issued by the Offeror through the website of the Stock Exchange by 7:00 p.m. (Hong Kong time) on the Closing Date, stating the results of the Offer and whether the Offer has been revised or extended to another Closing Date or until further notice. Such announcement will comply with the disclosure requirements under Rule 19.1 of the Takeovers Code. In the latter case, at least 14 days’ notice in writing must be given, before the Offer is closed, to the Shareholders who have not accepted the Offer.
4. If there is a tropical cyclone warning signal number 8 or above or a black rainstorm warning signal in force or “extreme conditions” caused by a super typhoon is announced by the Government of Hong Kong on the Closing Date and it is (i) not cancelled in time for trading on the Stock Exchange to resume in the afternoon on the Closing Date, the time and date of the close of the Offer will be postponed to 4:00 p.m. (Hong Kong time) on the next Business Day which does not have either of those warnings in force in Hong Kong or such other day as the Executive may approve; or (ii) cancelled in time for trading on the Stock Exchange to resume in the afternoon on the Closing Date, the time and date of the close of the Offer will be the same day, i.e., 4:00 p.m. (Hong Kong time) on the Closing Date.
5. Beneficial owners of the Offer Shares who hold their Offer Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant should note the timing requirements (as set out in section headed “PROCEDURES FOR ACCEPTANCE OF THE OFFER” in Appendix I to the Offer Document) for causing instructions to be made to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures. Acceptances of the Offer are irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code. Please refer to the section headed “RIGHT OF WITHDRAWAL” in Appendix I to the Offer Document for further information on the circumstances where acceptances may be withdrawn.
6. Remittances in respect of the Offer Shares (after deducting the sellers’ ad valorem stamp duty, as applicable) tendered for acceptance under the Offer 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 no later than seven (7) Business Days after the date on which the duly completed Form of Acceptance and the relevant documents of title of the Offer Shares are received by the Registrar to render each of such acceptance of the Offer complete and valid in accordance with the Takeovers Code. Please refer to the sections headed “PROCEDURES FOR ACCEPTANCE OF THE OFFER” and “SETTLEMENT” in Appendix I to the Offer Document and the accompanying Form of Acceptance for further information.

All times and dates above shall refer to Hong Kong local times and dates. Save as mentioned above, if the latest time for the acceptance of the Offer does not take effect on the date and time as stated above, the other dates mentioned above may be affected. The Offeror will notify the Shareholders by way of announcement(s) on any change to the expected timetable as soon as possible.

DEFINITIONS

In this Response Document, unless the context requires otherwise, the following expressions shall have the following meanings:

“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“associate(s)”	has the meaning ascribed thereto under the Takeovers Code
“Board”	the board of Directors
“Business Day(s)”	a day on which the Stock Exchange is open for the transaction of business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Closing Date”	Thursday, 5 June 2025 (or any subsequent closing date as and may be announced by the Offeror and approved by the Executive)
“Company”	PT International Development Corporation Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 372)
“Condition”	the condition of the Offer, as set out under the paragraph headed “Condition of the Offer” in the “Letter from Head & Shoulders Securities” in the Offer Document
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Delay Announcement”	the joint announcement dated 8 May 2025 jointly published by the Offeror and the Company in relation to the delay in despatch of the Response Document and the extension of the Offer Period
“Director(s)”	the director(s) of the Company
“Executive”	the Executive Director of the Corporate Finance Division of the SFC and any delegate of the Executive Director
“Form of Acceptance”	the form of acceptance and transfer of Share(s) in respect of the Offer accompanying the Offer Document
“Group”	the Company and its subsidiaries

DEFINITIONS

“Guangming”	廣西廣明碼頭倉儲有限公司 (Guangxi Guangming Warehouse Storage Limited*), a non-wholly-owned subsidiary of the Company
“Head & Shoulders Securities”	Head & Shoulders Securities Limited, a licensed corporation authorized to carry on Type 1 (dealing in securities) and Type 4 (advising on Securities) regulated activities under the SFO and the offer agent to the Offeror
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors who have no direct or indirect interest in the Offer, established for the purpose of making a recommendation to the Independent Shareholders in respect of the Offer
“Independent Financial Adviser” or “Grande Capital”	Grande 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
“Independent Shareholder(s)”	the Shareholders other than the Offeror and the Offeror’s Concert Parties
“Joint Announcement”	the joint announcement issued by the Offeror and the Company dated 3 April 2025 in connection with the Offer
“Latest Practicable Date”	means 20 May 2025, being the latest practicable date prior to the printing of this Response Document for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Ching”	Mr. Ching Man Chun, Louis, (i) the sole owner and director of the Offeror; (ii) an executive Director, managing Director and the chairman of the Board; and (iii) together with Champion Choice, are shareholders of the Company interested in 152,958,095 Shares (representing approximately 50.52% of the existing issued capital of the Company) as at the Latest Practicable Date

* for identification purpose only

DEFINITIONS

“Offer”	the voluntary general cash offer made by Head & Shoulders Securities for and on behalf of the Offeror to acquire all the issued Shares (other than those already owned by the Offeror and parties acting in concert with it) on the basis set out in the Offer Document and accompanying form of acceptance, and any subsequent revision of such offer
“Offer Document”	the offer document dated 24 April 2025 despatched by the Offeror (accompanied by the Form of Acceptance) to all the Shareholders in connection with the Offer pursuant to the requirements of the Takeovers Code
“Offer Period”	the period from the date of the Joint Announcement until whichever is the latest of (i) the Closing Date, (ii) the date when the Offer lapses, (iii) the time when the Offeror announces that the Offer will not proceed; and (iv) the date when an announcement is made of the withdrawal of the Offer
“Offer Share(s)”	all the Shares other than those already owned or agreed to be acquired by the Offeror and the Offeror’s Concert Parties
“Offeror”	Marching Great Limited, a company incorporated in the British Virgin Islands with limited liability, which is wholly-owned by Mr. Ching
“Offeror’s Concert Parties”	party(ies) acting in concert and presumed to be acting in concert with any of the Offeror as determined in accordance with the Takeovers Code
“Overseas Shareholder(s)”	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 Response Document, shall exclude Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“Registrar”	Union Registrars Limited, the branch share registrar of the Company in Hong Kong, situated at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong
“Relevant Period”	the period commencing on the date (i.e. 3 October 2024) falling six months preceding 3 April 2025, being the date of the Joint Announcement, up to and including the Latest Practicable Date

DEFINITIONS

“Response Document”	this response document issued by the Company in relation of the Offer
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers issued by the SFC
“Thousand Vantage”	Thousand Vantage Investment Limited, a non-wholly-owned subsidiary of the Company
“%”	per cent.

LETTER FROM THE BOARD



PT INTERNATIONAL DEVELOPMENT CORPORATION LIMITED

保 德 國 際 發 展 企 業 有 限 公 司 *

(Incorporated in Bermuda with limited liability)

(Stock code: 372)

Executive Directors:

Mr. Ching Man Chun, Louis
(Chairman and Managing Director)
Mr. Yeung Kim Ting
Mr. Wong Kung Ho, Alexander
Ms. Wong Man Ming, Melinda

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Independent non-executive Directors:

Mr. Yam Kwong Chun
Mr. Wong Yee Shuen, Wilson
Mr. Lam Yik Tung

Principal place of business in Hong Kong:

11th Floor
Centre Point
181-185 Gloucester Road
Wanchai, Hong Kong

22 May 2025

To the Independent Shareholders,

Dear Sir or Madam,

VOLUNTARY CASH OFFER BY HEAD & SHOULDERS SECURITIES LIMITED FOR AND ON BEHALF OF MARCHING GREAT LIMITED TO ACQUIRE ALL THE ISSUED SHARES OF PT INTERNATIONAL DEVELOPMENT CORPORATION LIMITED (OTHER THAN THOSE SHARES ALREADY OWNED BY MARCHING GREAT LIMITED AND PARTIES ACTING IN CONCERT WITH IT)

INTRODUCTION

Reference is made to the Joint Announcement, whereby on 3 April 2025 (after trading hours), the Board was informed by the Offeror that Head & Shoulders Securities, for and on behalf of the Offeror, will make a voluntary cash offer to acquire all the issued Shares (other than those Shares already owned by the Offeror and the Offeror Concert Parties).

* for identification purpose only

LETTER FROM THE BOARD

The Offer Document accompanied with the Form of Acceptance were despatched on Thursday, 24 April 2025. As disclosed in the Unconditional Announcement, the Offeror received valid acceptances of a total of 64,729,940 Offer Shares, representing approximately 21.38% of the entire issued share capital of the Company as at the date of the Unconditional Announcement, which, together with the Shares already held by the Offeror and parties acting in concert with it, would result in the Offeror and parties acting in concert with it holding more than 50% of the voting rights of the Company. Therefore, the Offer has become unconditional in all respects on Friday, 2 May 2025.

As disclosed in the joint announcement dated 20 May 2025 of the Offeror and the Company, the Offeror received valid acceptances of a total of 64,758,095 Offer Shares, representing approximately 21.39% of the entire issued share capital of the Company as at the Latest Practicable Date.

The purpose of this Response Document is to provide you with, among other things: (i) information relating to the Group and the Offer; (ii) a letter from the Independent Board Committee containing its recommendation to the Independent Shareholders in relation to the Offer; and (iii) a letter from the Independent Financial Adviser containing its advice and recommendation to the Independent Board Committee in relation to the Offer.

You are advised to read this Response Document, the letter from the Independent Board Committee and the letter from the Independent Financial Adviser in conjunction with the Offer Document carefully before taking any action in respect of the Offer.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, which comprises all the independent non-executive Directors, who have no direct or indirect interest in the Offer, namely Mr. Yam Kwong Chun, Mr. Wong Yee Shuen, Wilson and Mr. Lam Yik Tung, has been established to make a recommendation to the Independent Shareholders in relation to the Offer, 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.

In addition, Grande Capital, with the approval of the Independent Board Committee, has been appointed as the Independent Financial Adviser to advise the Independent Board Committee in connection with the Offer and, in particular, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer.

LETTER FROM THE BOARD

THE OFFER

The terms of the Offer as set out in the Offer Document are extracted below. You are recommended to refer to the Offer Document and the Form of Acceptance for further details. The Offer is made on the following basis:

Principal terms of the Offer

Head & Shoulders Securities, for and on behalf of the Offeror and in compliance with the Takeovers Code, is making the Offer to acquire all the Offer Shares on the following basis:

For each Offer Share HK\$0.175 in cash

As disclosed in the Offer Document, the Offer is available to all Independent Shareholders, including those with a registered address in a jurisdiction outside Hong Kong. The Offer Shares to be acquired under the Offer shall be free from all encumbrances and together with all rights and entitlements attaching or accruing thereto including, without limitation, the right to receive all dividends and other distributions, if any, the record date of which is on or after the date on which the Offer is made (i.e. the date of the despatch of the Offer Document).

Condition of the Offer

The Offer is conditional upon valid acceptances of the Offer having been received (and where permitted, not withdrawn) on or before 4:00 p.m. on the Closing Date (or such later time or date as the Offeror may, subject to the Takeovers Code, decide) in respect of the Offer Shares, which together with the Shares already held by the Offeror and parties acting in concert with it, would result in the Offeror and the parties acting in concert with it holding more than 50% of the voting rights of the Company as at the Closing Date. This Condition cannot be waived.

The Offeror reserves the right to revise the terms of the Offer in accordance with the Takeovers Code.

As disclosed in the Unconditional Announcement, the Offeror received valid acceptances of a total of 64,729,940 Offer Shares, representing approximately 21.38% of the entire issued share capital of the Company as at the date of the Unconditional Announcement, which, together with the Shares already held by the Offeror and parties acting in concert with it, would result in the Offeror and parties acting in concert with it holding more than 50% of the voting rights of the Company. Therefore, the Offer had become unconditional in all respects on Friday, 2 May 2025.

Further details of the Offer

Further details of the Offer including, among others, the effect of accepting the Offer, Overseas Shareholders and settlement of consideration, are set out in the Offer Document and the Form of Acceptance.

LETTER FROM THE BOARD

INFORMATION ON THE GROUP

Principal activities

The Company is an investment holding company. As at the Latest Practicable Date, the Group principally is engaged in (i) trading of commodities; (ii) investments including long-term debt instruments and equity investments; (iii) storage, unloading and loading services for petrochemical products; (iv) provision of asset management, equity and insurance brokerage and related services; (v) loan financing services; and (vi) investment in trading of securities.

Further information of the Group has been set out in “Appendix I – Financial information of the Group” and “Appendix II – General information” to this Response Document.

Shareholding Structure of the Company

The shareholding structure of the Company (assuming the transfer of the Acceptance Shares (as defined below) to the Offeror has been completed) as at the date of the Joint Announcement, the date of the Unconditional Announcement and the Latest Practicable Date is set out below:

	As at the date of the Joint Announcement		As at the date of the Unconditional Announcement		As at the Latest Practicable Date	
	<i>Approximate</i>				<i>Approximate</i>	
	<i>Number of Shares</i>	<i>% of shareholding</i>			<i>Number of Shares</i>	<i>% of shareholding</i>
The Offeror	–	–	64,729,940	21.38	64,758,095	21.39
Mr. Ching	15,000,000	4.95	15,000,000	4.95	15,000,000	4.95
Champion Choice (<i>Note 1</i>)	73,200,000	24.18	73,200,000	24.18	73,200,000	24.18
Subtotal: The Offeror and the Offeror’s Concert Parties	88,200,000	29.13	152,929,940	50.51	152,958,095	50.52
Other Shareholder holding above 10%						
Zhu Bin (<i>Note 2</i>)	31,522,276	10.41	31,522,276	10.41	31,522,276	10.41
Other public Shareholders	183,020,148	60.46	118,290,208	39.08	118,262,053	39.07
Total	302,742,424	100.00	302,742,424	100.00	302,742,424	100.00

Notes:

- As at the Latest Practicable Date, Champion Choice Holdings Limited (“**Champion Choice**”), which is the holder of 73,200,000 Shares, is wholly-owned by Mr. Ching. The Offeror had received valid acceptances in respect of a total of 64,758,095 Offer Shares (the “**Acceptance Shares**”) as at the Latest Practicable Date. Accordingly, Mr. Ching is deemed to be interested in 73,200,000 Shares held by Champion Choice and 64,758,095 Offer Shares in respect of which valid acceptances had been received by the Offeror as at the Latest Practicable Date under the SFO.

LETTER FROM THE BOARD

2. Based on the disclosure of interest filing made by Mr. Zhu Bin, it appears that such Shareholder and one company wholly owned by such Shareholder (namely One Perfect Group Ltd) are interested in an aggregate of 31,522,276 Shares. As at the Latest Practicable Date, Mr. Zhu Bin holds approximately 35% of the issued share capital of Thousand Vantage (a non-wholly-owned subsidiary of the Company) and being one of the directors of Thousand Vantage.

As disclosed in the Offer Document, as at the Latest Practicable Date (as defined in the Offer Document), Mr. Zhu Bin and the companies owned by him have two monetary disputes with Mr. Ching in Hong Kong. The legal proceedings for such two monetary disputes are still ongoing. Such monetary disputes are not related to (i) the Shares held by Mr. Ching and the Offeror's Concert Parties or the Shares to be acquired by the Offeror under the Offer; (ii) the Company and/or the Group, including the winding up petition and the legal proceedings as disclosed in the announcements of the Company dated 18 December 2023 and 10 October 2024, respectively; and (iii) the Offer.

As disclosed in the Offer Document, save as disclosed above, as at the Latest Practicable Date (as defined in the Offer Document), there are no other relationship between Mr. Ching and Mr. Zhu Bin, and Mr. Zhu Bin is not a party acting in concert with the Offeror and the Offeror's Concert Parties.

INFORMATION OF THE OFFEROR

Please refer to the Offer Document for the information on the Offeror.

INTENTION OF THE OFFEROR IN RELATION TO THE GROUP

The information set out below is reproduced from the Offer Document:

"The Offeror intends to continue the existing business of the Group. As at the Latest Practicable Date, the Offeror has not entered into, and has no plans to enter into, any agreement, arrangements, understandings or negotiation in relation to introduction any major changes to the business, including any redeployment of the fixed assets of the Group, and has no intention to dispose of or change the scale of any of the Group's existing business. Subject to the Group's business needs and prevailing market conditions, the Offeror may explore other business opportunities and consider whether any asset disposal, asset acquisition, fund raising, restructuring of business and/or business diversification will be appropriate in order to enhance long-term growth potential of the Company.

The Offeror has no intention to terminate any employment of the employees of the Group or to make significant changes to any employment as a result of completion of the Offer. However, the Offeror reserves the right to make any changes that it deems necessary or appropriate to the Group's business and operations to optimise the value of the Group.

As at the Latest Practicable Date, (i) none of the existing Directors has intention to resign from the Board; (ii) the Offeror does not intend to nominate new director(s) to the Board; and (iii) the Offeror has not identified any potential candidates as new director(s) to the Board."

The Board is aware of the Offeror's intention in relation to the Group and is willing to render co-operation with the Offeror and will continue to act in the best interests of the Group and the Shareholders as a whole.

LETTER FROM THE BOARD

MAINTAINING THE LISTING STATUS OF THE COMPANY

The information set out below is reproduced from the Offer Document:

“The Offeror intends to maintain the listing of the Shares on the Stock Exchange following the close of the Offer. The Offeror does not intend to avail itself of any powers of compulsory acquisition of any Shares outstanding after the close of the Offer.

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

- (i) a false market exists or may exist in the trading of the Shares; or*
- (ii) that there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend dealings in the Shares.*

The sole director of the Offeror 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 as soon as possible following the close of the Offer to ensure that sufficient public float exists in the Shares after the close of the Offer. The Offeror will issue a separate announcement as and when necessary in this regard.”

RECOMMENDATION AND ADDITIONAL INFORMATION

Your attention is drawn to (i) the “Letter from the Independent Board Committee” on pages 11 to 12 of this Response Document, which sets out its recommendation to the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to acceptance of the Offer; and (ii) the “Letter from the Independent Financial Adviser” on pages 13 to 47 of this Response Document, which sets out its advice and recommendation to the Independent Board Committee in relation to the Offer and the principal factors considered by it in arriving at its recommendation.

Your attention is also drawn to the additional information set out in the appendices to this Response Document. You are also recommended to read carefully the Offer as set out in the Offer Document and the Form of Acceptance which contain details of the Offer before deciding whether or not to accept the Offer.

Yours faithfully,
For and on behalf of the Board
PT International Development Corporation Limited
Yeung Kim Ting
Executive Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



PT INTERNATIONAL DEVELOPMENT CORPORATION LIMITED

保 德 國 際 發 展 企 業 有 限 公 司 *

(Incorporated in Bermuda with limited liability)

(Stock code: 372)

22 May 2025

To the Independent Shareholders,

Dear Sir or Madam,

**VOLUNTARY CASH OFFER BY HEAD & SHOULDERS SECURITIES
LIMITED FOR AND ON BEHALF OF MARCHING GREAT LIMITED TO
ACQUIRE ALL THE ISSUED SHARES OF PT INTERNATIONAL
DEVELOPMENT CORPORATION LIMITED (OTHER THAN THOSE SHARES
ALREADY OWNED BY MARCHING GREAT LIMITED AND PARTIES
ACTING IN CONCERT WITH IT)**

INTRODUCTION

We refer to the offer document dated 24 April 2025 issued by the Offeror (the “**Offer Document**”) and the response document dated 22 May 2025 issued by the Company (the “**Response Document**”) of which this letter forms part. Unless the context requires otherwise, capitalised terms used in this letter shall have the same meanings as those defined in the Response Document.

We have been appointed by the Board to form the Independent Board Committee to consider the terms of the Offer and to make a recommendation to you as to whether, in our opinion, the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned, and as to acceptance thereof.

Grande Capital has been appointed, with our approval, as the Independent Financial Adviser to advise us in respect of the Offer and its terms and conditions. Your attention is drawn to the “Letter from the Independent Financial Adviser” set out on pages 13 to 47 of the Response Document which contains the details of its advice and the principal factors and reasons taken into consideration in arriving at its recommendation in respect of the Offer.

* *for identification purpose only*

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

We also wish to draw your attention to the section headed “Letter from the Board” and the additional information set out in the Response Document including the appendices and the Offer Document and the accompanying Form of Acceptance in respect of the terms of the Offer and the acceptance and settlement procedures for the Offer.

RECOMMENDATIONS

Taking into account the terms of the Offer and the independent advice from the Independent Financial Adviser, and the principal factors and reasons taken into account in arriving at its recommendation, we consider that the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned, accordingly, we recommend the Independent Shareholders to accept the Offer.

Independent Shareholders are recommended to read the full text of the “Letter from Independent Financial Adviser” in the Response Document. Notwithstanding our recommendation, the Independent Shareholders should consider carefully the terms and conditions of the Offer.

Yours faithfully,

For and on behalf of
the Independent Board Committee

Mr. Yam Kwong Chun

Mr. Wong Yee Shuen, Wilson
Independent non-executive Directors

Mr. Lam Yik Tung

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the text of the letter from the Independent Financial Adviser appointed to advise the Independent Board Committee, which has been prepared for the purpose of incorporation into this Response Document, setting out its advice to the Independent Board Committee in relation to the Offer.



Room 2701, 27/F., Tower 1, Admiralty Centre,
18 Harcourt Road, Admiralty
Hong Kong

22 May 2025

*To: the Independent Board Committee
of PT International Development Corporation Limited*

Dear Sirs,

**RESPONSE DOCUMENT RELATING TO
VOLUNTARY CONDITIONAL CASH OFFER BY
HEAD & SHOULDERS SECURITIES LIMITED
FOR AND ON BEHALF OF MARCHING GREAT LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF
PT INTERNATIONAL DEVELOPMENT CORPORATION LIMITED
(OTHER THAN THOSE SHARES ALREADY OWNED BY
MARCHING GREAT LIMITED AND PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee in relation to the Offer, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in this response document dated 22 May 2025 (the “**Response Document**”) issued by PT International Development Corporation Limited (the “**Company**”, collectively with its subsidiaries referred to as the “**Group**”), of which this letter forms part. Unless otherwise stated, capitalised terms used in this letter shall have the same meanings as those defined in this Response Document.

Reference is made to the Joint Announcement, whereby the Board was informed by the Offeror on 3 April 2025 that Head & Shoulders, for and on behalf of the Offeror, will make a voluntary conditional cash offer to acquire all the issued Shares (other than those Shares already owned by the Offeror and the Offeror’s Concert Parties). The Offer Document accompanied with the Form of Acceptance was despatched on Thursday, 24 April 2025.

Head & Shoulders Securities is making the Offer at the offer price of HK\$0.175 per Offer Share (the “**Offer Price**”) in cash on behalf of the Offeror in compliance with the Takeovers Code.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As at the Latest Practicable Date, the Company has a total of 302,742,424 Shares in issue. The Offeror and the Offeror's Concert Parties are, in aggregate, interested in 152,958,095 Shares, representing approximately 50.52% of the existing issued capital of the Company. Save for the above, as at the Latest Practicable Date, there are no outstanding options, warrants, derivatives, convertible securities or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company.

THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, which comprises all the independent non-executive Directors, who have no direct or indirect interest in the Offer, namely Mr. Yam Kwong Chun, Mr. Wong Yee Shuen, Wilson and Mr. Lam Yik Tung, has been established to make a recommendation to the Independent Shareholders in relation to the Offer, 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.

We, Grande Capital Limited, have been appointed as the Independent Financial Adviser by the Company with the approval of the Independent Board Committee to advise the Independent Board Committee in connection with the Offer, and in particular, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer.

OUR INDEPENDENCE

We are not associated or connected with the Company, the Offeror, their respective controlling shareholders or any party acting in concert with any of them. During the past two years, save for our appointment as the Independent Financial Adviser to the Independent Board Committee in relation to the Offer, we had no prior engagement with the Company or the Offeror. We are not in the same group as the financial or other professional advisers (including stockbrokers) to the Offeror and the Company. Pursuant to Rule 13.84 of the Listing Rules and Rule 2 of the Takeovers Code, and given that (i) remuneration for our engagement to opine on the terms of the Offer is not conditional upon the outcome of the Offer; (ii) no arrangement exists whereby we shall receive any fees or benefits (other than our said remuneration) from the Company or the Offeror, their respective controlling shareholders or any party acting in concert with any of them; and (iii) our engagement is on normal commercial terms, we are considered to be independent and can act as the Independent Financial Adviser to the Independent Board Committee in relation to the Offer.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

BASIS OF OUR OPINIONS

In formulating our opinion, we have reviewed, among other things, (i) the Joint Announcement; (ii) the Offer Document and the Response Document; (iii) the annual reports of the Company for the years ended 31 March 2023 (the “**2023 AR**”) and 31 March 2024 (the “**2024 AR**”); (iv) the interim report of the Company for the six months ended 30 September 2024 (the “**2024 IR**”); (v) the information contained or referred to in the Offer Document and the Response Document; and (vi) relevant public information.

We have relied on the statements, information, opinions and representations contained or referred to in the Joint Announcement, the Offer Document, the Response Document and/or information provided to us by the Company, the Directors and the management of the Company (collectively, the “**Management**”). We have assumed that all statements, information, opinions and representations contained or referred to in the Joint Announcement, the Offer Document, the Response Document and/or information provided to us were true, accurate and complete at the time they were made and continued to be so as at the Latest Practicable Date. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Offer Document and the Response Document, save and except for this letter of advice. The Company will notify the Offer Shareholders of any material change to the information contained or referred to in the Offer Document and the Response Document as soon as possible in accordance with Rule 9.1 of the Takeovers Code. The Offer Shareholders will also be informed as soon as possible when there is any material change to the information contained or referred to herein as well as changes to our opinions, if any, after the Latest Practicable Date and throughout the Offer Period.

We consider that we have reviewed sufficient information to reach an informed view, to justify our reliance on the accuracy of the information contained in this Response Document and to provide a reasonable basis for our advice. We have no reason to believe that any statement, information, opinion or representation relied on by us in forming our opinions is untrue, inaccurate or misleading, nor are we aware of any material fact whose omission of which would render the statements, information, opinions or representations provided to us untrue, inaccurate or misleading. We have not, however, conducted any independent in-depth investigation into the business, financial conditions and affairs or the future prospects of the Group nor have we carried out any independent verification of the information supplied to us.

As set out in the responsibility statement in Appendix II of this Response Document, all the Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Response Document relating to the Group and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Response Document (other than opinions expressed by the directors of the Offeror in their capacity as directors of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in the Response Document, the omission of which would make any statement in this Response Document misleading.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As set out in the responsibility statement in Appendix II of the Offer Document, the sole director of the Offeror accepts full responsibility for the accuracy of the information contained in the Offer Document and confirms, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in this Offer Document have been arrived at after due and careful consideration and there are no other facts not contained in this Offer Document, the omission of which would make any statements in this Offer Document misleading. The information relating to the Company/Group in this Offer Document has been extracted from or based on the published information of the Company. The only responsibility accepted by the Offeror in respect of such information is for the correctness and fairness of the extraction of such information and/or its reproduction or presentation.

We have not considered the taxation implication, if any, on the Independent Shareholders as a result of the acceptance or non-acceptance of the Offer. We will not accept responsibility for any tax effect or liability that may potentially be incurred by the Independent Shareholders as a result of the Offer. In particular, Independent Shareholders who are subject to Hong Kong or overseas taxation on dealings in securities are urged to seek advice from their own professional advisers on tax matters.

This letter is issued for the information of the Independent Board Committee solely in connection with their consideration of matters relating to the Offer, and, except for its inclusion in this Response Document, and for publication on the websites of the SFC (www.sfc.hk), the Stock Exchange (www.hkexnews.hk) and the Company website as required under the Takeovers Code and the Listing Rules, 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.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinions and recommendations in relation to the Offer, we have taken into account the following principal factors and reasons:

1. Background and terms of the Offer

As at the Latest Practicable Date, the Company has a total of 302,742,424 Shares in issue. The Offeror and the Offeror's Concert Parties are, in aggregate, interested in 88,200,000 Shares, representing approximately 29.13% of the existing issued capital of the Company. Save for the above, as at the Latest Practicable Date, there are no outstanding options, warrants, derivatives, convertible securities or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Offer

Head & Shoulders Securities will make the Offer for and on behalf of the Offeror in compliance with the Takeovers Code and on the terms set out in the Offer Document at the following Offer Price:

Under the terms of the Offer, a Shareholder, in respect of his/her/its Shares, may validly tender for acceptance on the basis set out below:

For each Offer Share HK\$0.175 in cash

The Company confirms that, as at the Latest Practicable Date, (a) it has not declared any dividend which is not yet paid; and (b) it does not have any intention to declare or pay any future dividends or make other distributions prior to and including the date of closing or lapse of the Offer. If, after the Latest Practicable Date, any dividend or other distribution is made or paid in respect of the Offer Shares, the Offeror reserves the right to reduce the Offer Price by an amount equal to the net amount of such dividend or other distribution.

Condition of the Offer

As disclosed in the Offer Document, the Offer is conditional upon valid acceptances of the Offer having been received (and where permitted, not withdrawn) on or before 4:00 p.m. on the Closing Date (or such later time or date as the Offeror may, subject to the Takeovers Code, decide) in respect of the Offer Shares, which together with the Shares already held by the Offeror and parties acting in concert with it, would result in the Offeror and the parties acting in concert with it holding more than 50% of the voting rights of the Company as at the Closing Date. This condition cannot be waived. The Offer had become unconditional in all respects on Friday, 2 May 2025.

2. Information on the Group

(a) Principal business of the Group

The Company is an investment holding company incorporated in Bermuda with limited liability and its Shares are listed on the Main Board of the Stock Exchange. The Group is mainly engaged in the trading business through six segments including (i) trading of commodities; (ii) investments including long-term debt instruments and equity investments; (iii) storage, unloading and loading services for petrochemical products; (iv) provision of asset management, equity and insurance brokerage and related services; (v) loan financing services; and (vi) investment in trading of securities.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(b) Historical financial information of the Group

Financial performance of the Group

Set out below is a summary of the consolidated financial information of the Group for the years ended 31 March 2023 (“**FY2023**”) and 31 March 2024 (“**FY2024**”), and for the six months ended 30 September 2023 (“**1H2023**”) and 2024 (“**1H2024**”) as extracted from the 2024AR and 2024IR, respectively:

	FY2024	FY2023	1H2024	1H2023
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Audited)	(Audited and restated <i>(Note)</i>)	(Unaudited)	(Unaudited and restated <i>(Note)</i>)
Revenue				
– <i>Commodities trading</i>	98,459	360,984	46,549	–
– <i>Petrochemical</i>	50,539	50,001	24,724	19,507
– <i>Financial institution business</i>	2,961	301	4,761	454
– <i>Finance</i>	–	16	–	–
Total Revenue	151,959	411,302	76,034	19,961
Cost of sales	(235,174)	(682,884)	(71,741)	(20,614)
Gross Profit/(Loss)	(83,215)	(271,582)	4,293	(653)
Other income and expenses, other gains and losses	(5,544)	13,907	(2,533)	(3,675)
Net (losses) gains on financial instruments	124,522	39,207	(27,882)	401,851
Impairment losses on goodwill	–	(5,270)	–	–
Administrative expenses	(75,189)	(79,353)	(28,645)	(36,284)
Finance costs	(16,928)	(19,393)	(8,272)	(7,650)
Net gain on deconsolidation of a subsidiary	–	–	16,204	–
(Loss)/profit before tax	(56,505)	(325,464)	(47,040)	353,589
Loss for the year/period from discontinued operation	(32,745)	(34,939)	(956)	(13,194)
(Loss)/profit for the year/period	(89,250)	(360,405)	(47,996)	340,395

Note: An operating segment engaging in the metal recycling was discontinued during the year ended 31 March 2024 and the comparative figures have been restated to conform with the current period presentation. Details of which are set out in the 2024AR and 2024IR.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

FY2024 compared with FY2023

The Group recorded total revenue of approximately HK\$152.0 million for FY2024, representing a decrease of approximately HK\$259.3 million or 63.1% compared to FY2023. According to the 2024AR, the Group continued to reduce credit exposures in the commodities markets in its trading business which in previous years had focused on the trading of commodities including metals, chemicals and energy products. The business segment of the commodities trading generated a segment revenue of approximately HK\$98.5 million for FY2024 (FY2023: approximately HK\$361.0 million) and a segment loss of approximately HK\$0.9 million (FY2023: segment profit of approximately HK\$3.1 million) which was mainly due to external factors such as the Russian/Ukraine war with cost of capital brought on by the increase of interest rates rose significantly.

As disclosed in the 2024AR, AFC Mercury Fund, a strategic long-term investment by the Group, primarily invests in shares of companies listed on the Korea Exchange, focusing on STX Corporation Limited (stock code: 011810) and STX Green Logis Ltd. (stock code: 465770). During FY2024, an unrealised fair value gain of approximately HK\$135.8 million (FY2023: approximately HK\$29.5 million) was made and capital distribution totaling Korean Won 11,203,217,000 (equivalent to approximately HK\$66.0 million) for FY2024 (FY2023: nil) was received from the AFC Mercury Fund.

During FY2024, the petrochemical segment contributed revenue of approximately HK\$50.5 million (FY2023: approximately HK\$50.0 million) and a segment loss of HK\$128.2 million (FY2023: approximately HK\$307.1 million). The loss in FY2024 was mainly due to an impairment loss on property, plant and equipment and right-of-use assets for approximately HK\$91.9 million (FY2023: approximately HK\$263.9 million).

As a result, the Group reported a loss of approximately HK\$21.3 million attributable to the owners of the Company for FY2024 (FY2023: approximately HK\$202.0 million) and a basic loss per share of HK0.74 cents for FY2024 (FY2023: HK8.94 cents). For FY2024, the loss was mainly due to an impairment loss on property, plant and equipment and right-of-use assets related to the petrochemical segment, offset by the fair value gain of financial instruments, in particular, the Group's investment in AFC Mercury Fund.

1H2024 compared with 1H2023

The Group recorded total revenue of approximately HK\$76.0 million in 1H2024, representing an increase of approximately HK\$56.0 million or 73.7 % as compared to that in 1H2023. According to the 2024IR, the Group generated a commodities trading segment revenue of approximately HK\$46.5 million (1H2023: nil) and a segment loss of approximately HK\$1.2 million (1H2023: approximately HK\$0.2 million).

In the 1H2024, the petrochemical segment contributed a segment revenue of approximately HK\$24.7 million (1H2023: approximately HK\$19.5 million) and a segment loss of approximately HK\$13.4 million (1H2023: approximately HK\$20.8 million).

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

For IH2024, the Group's long-term investment generated unrealised fair value loss of financial instruments from the Group's investment in AFC Mercury Fund of approximately HK\$33.1 million (IH2023: gain of approximately HK\$403.5 million).

For 1H2024, the Group reported a loss of approximately HK\$41.1 million attributable to the owners of the Company (IH2023: gain of approximately HK\$352.2 million) and basic loss per share of HK1.36 cents (1H2023: earnings per share HK12.82 cents). The loss was mainly due to the unrealized fair value loss of financial instruments, in particular, the Group's investment in AFC Mercury Fund.

Financial position of the Group

Set out below is a summary of (i) the unaudited consolidated financial position of the Group extracted from the 2024IR; and (ii) the audited consolidated financial positions of the Group extracted from the 2024AR:

	As at	As at	As at
	31 March	31 March	30 September
	2023	2024	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Audited)	(Audited)	(Unaudited)
Non-current assets	878,528	739,953	715,210
– Property, plant and equipment	470,820	340,888	343,909
– Right-of-use assets	246,763	166,828	166,260
– Interest in an associate	–	1,532	1,577
– Interest in joint venture	–	–	443
– Financial assets at fair value through profit or loss	160,945	230,705	203,021
Current assets	150,616	171,305	127,438
– Inventories	4,456	–	–
– Trade and other receivables	64,630	71,948	71,875
– Equity investments held for trading	8,797	1,178	145
– Restricted bank balances	3,181	3,533	3,615
– Cash and cash equivalents	69,552	81,999	51,803
Assets classified as held for sale	–	12,647	–
Total assets	1,029,144	911,258	842,648

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

	As at 31 March 2023 <i>HK\$'000</i> (Audited)	As at 31 March 2024 <i>HK\$'000</i> (Audited)	As at 30 September 2024 <i>HK\$'000</i> (Unaudited)
Non-current liabilities	24,429	109,859	110,190
– Lease liabilities – due after one year	24,429	109,859	110,190
Current liabilities	686,711	524,318	488,813
– Trade and other payables	135,435	110,408	93,893
– Contract liabilities	1,520	2,852	1,431
– Borrowings	146,281	139,968	115,846
– Lease liabilities – due within one year	403,475	271,090	277,643
Total liabilities	711,140	634,177	599,003
Net current liabilities	(536,095)	(353,013)	(361,375)
Total assets less current liabilities	342,433	386,940	353,835
Net assets	318,004	277,081	243,645
Capital and Reserves			
– Share capital	20,183	30,274	30,274
– Share premium and reserves	314,267	313,861	282,268
Equity attributable to the owners of the Company	334,450	344,135	312,542
– Non-controlling interests	(16,446)	(67,054)	(68,897)
Total equity	318,004	277,081	243,645

As at 31 March 2024

As at 31 March 2024, the total assets of the Group mainly comprised property, plant and equipment and accounted for approximately 46.1% of its total assets, amounted to approximately HK\$340.9 million and approximately HK\$470.8 million as at 31 March 2023, accounted for approximately 45.7% of its total assets. The decrease in total assets from approximately HK\$1,029.1 million to approximately HK\$911.3 million was mainly due to the impairment losses of property, plant and equipment of approximately HK\$60.3 million and impairment losses of right-of-use assets of approximately HK\$31.6 million in relation to the petrochemical segment were recognised for FY2024.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As at 31 March 2024, the total liabilities of the Group decreased to approximately HK\$634.2 million from approximately HK\$711.1 million as at 31 March 2023, mainly due to decrement in lease liabilities which was recognised with related right-of-use assets and the corresponding decrement was explained above. Lease liabilities represented approximately 60.1% of the total liabilities as at 31 March 2024, decreasing by approximately HK\$47.0 million or 11.0% from approximately HK\$427.9 million as at 31 March 2023 to approximately HK\$380.9 million as at 31 March 2024.

The Group recorded net assets of approximately HK\$277.1 million as at 31 March 2024, which represented a decrease of approximately HK\$40.9 million or 12.9% compared to approximately HK\$318.0 million as at 31 March 2023.

As at 30 September 2024

As at 30 September 2024, the total assets of the Group was approximately HK\$842.6 million, which decreased by approximately HK\$68.7 million or 7.5% when compared with its total assets of approximately HK\$911.3 million as at 31 March 2024. Such decrease was mainly due to the decrement in financial assets at fair value through profit or loss from approximately HK\$230.7 million to approximately HK\$203.0 million and cash and cash equivalents of from approximately HK\$82.0 million to approximately HK\$51.8 million due to the acquisition of property, plant and equipment by the Group.

As at 30 September 2024, the total liabilities of the Group was approximately HK\$599.0 million, with the lease liabilities of comprising approximately HK\$387.8 million, representing approximately 64.7% of the total liabilities of the Group. The decrement from approximately HK\$634.2 million as at 31 March 2024 was mainly due to a reduction in borrowings from approximately HK\$140.0 million as at 31 March 2024 to approximately HK\$115.8 million as at 30 September 2024.

The Group recorded net assets of approximately HK\$243.6 million as at 30 September 2024, which represented a slight decrease of approximately HK\$33.4 million or 12.1 % from net assets of approximately HK\$277.1 million as at 31 March 2024, primarily due to the loss attributable to owners of the Company of approximately HK\$41.1 million in IH2024.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Group recorded net current liabilities of approximately HK\$353.0 million and HK\$361.4 million as at 31 March 2024 and 30 September 2024 respectively. The Group also reported a loss of approximately HK\$89.2 million (1H2024: HK\$48.0 million) and had a net operating cash outflow of approximately HK\$69.7 million for FY2024 (1H2024: HK\$5.0 million). These conditions, together with other matters disclosed in note 3.1 to the consolidated financial statements of the 2024AR and note 1 to the unaudited consolidated financial statements of the 2024IR, indicate the existence of material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern and the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The validity of the going concern assumptions on which the consolidated financial statements have been prepared depends on the outcome of these plans and measures, which are subject to multiple uncertainties, including: (i) successful negotiation with a bank for revising the loan covenants and not demanding immediate repayment of existing bank loan with a carrying amount of HK\$115,846,000 as at 30 September 2024 due to the breach of certain loan covenants in relation to the property preservation orders received from the court under certain legal proceedings in relation to sale and leaseback arrangements and debt dispute since August 2022; (ii) successful negotiation with the lessor for extension of the remaining sale and leaseback contracts of oil storage tanks; (iii) successfully defending the Group against civil complaints filed by the civil litigants; and (iv) successfully disposing of the Group's investment in an unlisted fund. Notwithstanding the above, since the execution of the above plans and measures by the Group is in progress and no written contractual agreements are available to the Group as at the date of the approval for issuance of the consolidated financial statements (i.e. 28 November 2024), material uncertainties exist as to whether the management of the Group will be able to achieve its plans and measures as mentioned above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to mitigate its liquidity pressure and improve its financial position.

Should the Group fail to achieve the above-mentioned plans and measures, it might not be able to continue to operate as a going concern, and adjustments might have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively, or to recognise a liability for any contractual commitments that may have become onerous, where appropriate.

Based on the foregoing, we are therefore of the view that the Offer provides a good exit opportunity to the Independent Shareholders who do not wish to assume the potential risks of bankruptcy or insolvency or inability to continue as a going concern of the Company.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(c) Outlook of the Group

As disclosed in the 2024AR and the 2024IR, the global economic environment is expected to remain highly volatile amid ongoing geopolitical uncertainties, inflationary pressures, and the risk of a global economic downturn, in particular US-China trade tensions and uncertainties following the US elections. Future interest rates of central banks will be closely watched as they navigate the delicate balance between controlling inflation and supporting growth. Nonetheless, the Chinese government launched various policies to stimulate the property market and boost the economy in September 2024, including the reform to increase new quality productive force (新質生產力), though their effectiveness in stabilizing the region's economy remains uncertain due to domestic challenges such as weak consumer demand, liquidity concerns within the property sector, coupled with heightened volatility in financial markets and weak investor sentiment. During IH2024, the Group continued to generate revenue from sales of petrochemical commodities. The Management has taken a more prudent approach to control the risk of this segment, where margins have been volatile due to external factors such as the Russian/Ukraine war, while the cost of capital is brought on by the high interest rates. Moving forward, the Management will closely monitor the global economic and interest rates outlook before increasing exposure towards the trading business. The Management also saw continued stable activities in the oil port and storage operations of the Group. The Directors believe that nearby infrastructure construction projects within Guangxi region may boost local fuel demand which could contribute to generating revenue for the Group and the Group will continue to explore possible funding to commence construction of a new berth to maximize throughput utilization of our Group's oil storage tanks. In line with President Xi's introduction of new quality productive force (新質生產力), the Management is looking for new methods and technologies to improve productivity, increase our petrochemical sales and provide better and more efficient services for our oil storage business customers.

According to the press release published by the International Monetary Fund (IMF) on 18 January 2025, IMF projects that China's economic growth remains resilient at 4.6 percent in 2025 and slows to 4.5 percent in 2026, reflecting some increased momentum caused by fiscal measures, although that was offset by trade policy uncertainty. Over the medium term, growth is expected to decelerate to 3.3 percent by 2029. As disclosed in the 2024IR, we note that apart from an unrealised fair value loss of HK\$27,684,000 (FY2023: fair value gain HK\$405,857,000) was made from the Group's investment in AFC Mercury Fund due to market volatility, the Management has taken a more prudent approach to control the risk of commodity trading segment.

In alignment with government policy guidance and industry development trends, the Group will continue to adopt prudent measures and implement various strategies to mitigate the adverse impact of market environment challenges on its business while closely monitoring the market condition. Specifically, the Group will continue to reinforce the development of the existing business segments by widening its product scope, range of services and customer base, while also seeking new business opportunities to diversify its business development into new potential business lines, whether through trading, retail or otherwise. In line with the dissolution of the Group's subsidiary in the United Kingdom, the Group will continue to look for opportunities to dispose of assets or under-performing businesses where appropriate.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Considering that is uncertain as to the impacts of the challenging business environment above-mentioned may have on the future performance of the Group, we are of the view that the business prospect of the Group will remain uncertain going forward. Therefore, the Offer may provides a good exit opportunity to the Independent Shareholders who do not wish to assume the potential risks in the challenging business environment operated by the Company.

Furthermore, as at the Latest Practicable Date, the Group has been involved in a number of litigations that are set out in the section headed “7. Material Litigation” in Appendix II to this Response Document, based on the advice from the PRC legal advisers in relation to sale and leaseback arrangements litigations, it is not probable for the Group to be legally liable to immediately pay the remaining lease payments of HK\$274,287,000 (FY2024: HK\$266,468,000), late charges, accrued interests and other litigation costs of HK\$138,896,000 (FY2024: HK\$108,292,000) given the hearings of the cases have not been completed and the PRC legal advisers reckons that there is a lack of concrete evidence from the plaintiff such that the breach of covenant is considered not severe to be resulted in the worst scenario. Nonetheless, some of the assets of the Group has been frozen as a result of the enforcement order and property preservation orders issued by the court to protect the plaintiff’s rights. Also, based on the advice from the PRC legal advisers in relation to debt dispute litigations, it is not probable that the Group will be legally liable to principal debt amount of RMB110,658,000 (equivalent to HK\$122,858,000), default payment thereon of RMB31,373,000 (equivalent to HK\$34,832,000) and other related litigation costs. However, these litigations were still ongoing, the outcomes of these litigations remains uncertain. Based on the foregoing, we are therefore of the view that the Offer provides a good exit opportunity to the Independent Shareholders who do not wish to assume the potential risks of contingent liabilities and costs associated to these ongoing litigations.

We were given to understand that the Company has announced the joint announcement (the “**Litigation Joint Announcement**”) dated 13 May 2025 in relation to the Company received a petition filed by Mr. Zhu Bin (“**Mr. Zhu**”) in the High Court of the Hong Kong Special Administrative Region (the “**Court**”) against the Company and Mr. Ching, the sole owner and director of the Offeror, the executive Director and chairman of the Board. Based on the Litigation Joint Announcement, Mr. Zhu sought inter alia an order that Mr. Ching do purchase Mr. Zhu’s Shares in the Company at a price to be determined by the Court. It is particularly noted that no injunctive relief is sought in respect of the Offer, and no relief is sought against the Company whatsoever. Mr. Ching and the Board consider that allegations purportedly made by Mr. Zhu are completely unfounded. Mr. Ching will take appropriate actions to vigorously defend the claims made by Mr. Zhu. As required by the Takeovers Code, the audited financial information of the Group for the three years ended 31 March 2024 and the unaudited financial information for the six months ended 30 September 2024 are disclosed in the Response Document. The Board considers that such financial information is accurate and not affected by the unfounded allegations made by Mr. Zhu. There is also no inconsistency between Mr. Ching’s statements of intention in the Joint Announcement and the stance taken by PT OBOR Financial Holdings Limited in its claim against Mr. Zhu to rescind the subscription agreement of 65% equity interest in non-wholly-owned PRC subsidiary of Thousand Vantage Investment Limited, an indirect non-wholly-owned subsidiary of the Company in Hong Kong (“**Thousand Vantage**”), whether as alleged or at all. For further details of the above claims, please refer to section headed “7. Material Litigation” in Appendix II to this Response Document. As advised by the legal counsel to Mr. Ching, there will unlikely be any conclusion handed down by the Court before the end of 2025 unless the Petition is dismissed by the Court or the Petition is withdrawn by Mr. Zhu.

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As stated in the Litigation Joint Announcement, it is alleged by Mr. Zhu that given the impairment losses on property, plant and equipment and right-of-use assets were not recorded in the financial statements in the PRC of Thousand Vantage, there is a material inconsistency in the consolidated financial statements of the Company and Thousand Vantage in Hong Kong in that the said impairment losses of the property, plant and equipment and right-of-use assets were approved to be recorded therein. It is Mr. Zhu's assertion that the record of the impairment losses had resulted in a significantly lower consolidated net asset value of the Company/Group and lower Share price, such that the Offer Price to the NAV would be higher if impairment was not made, as the market price ought to be higher than the closing price of the Shares based on Mr. Zhu's prediction and the consolidated net assets per Share ought to be higher if impairment was not made.

We discussed with the Management of the Company and noted that it is the Group's policy to review the carrying amounts of its property, plant and equipment and right-of-use assets to determine whether there is any indication that these assets have suffered an impairment loss at the end of each reporting period. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any). We concur such policy complies with the relevant HKFRS and is comparable with industry practice. Given the Board considers that the financial information is accurate and not affected by the unfounded allegations made by Mr. Zhu, we do not anticipate there will be any impact on the discount to NAV assessment as stipulated below. Nonetheless, as our opinion was formed together with other factors as set out in the later part of this letter, we were of view that the information contained in the Joint Announcement does not affect our advice in relation to the terms and conditions of, and as to the acceptance of, the Offer.

3. Information on the Offeror

(a) The Offeror

The Offeror is an investment holding company incorporated in the British Virgin Islands with limited liability. The Offeror is wholly-owned by Mr. Ching, who is also the sole director of the Offeror.

(b) The principal parties acting in concert with the Offeror

As set out in the "Letter from Head & Shoulders Securities" contained in the Offer Document, the Offeror, Mr. Ching joined the Company as an executive Director in June 2017 and is also a director of various subsidiaries of the Company. Mr. Ching was subsequently appointed as the chairman of the Company and managing director of the Company in September 2017.

Mr. Ching holds a bachelor of arts degree in economics from Boston University in the United States of America. He has extensive experience in commodity trading and business development in the PRC and other countries in Asia and Africa.

As at the Latest Practicable Date, the Offeror and the Offeror's Concert Parties are in aggregate interested in 152,958,095 Shares, representing approximately 50.52% of the total issued share capital of the Company.

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Further information on the shareholding structure of the Company is set out in “Letter from Head & Shoulders Securities” in the Offer Document.

(c) Intentions of the Offeror regarding the Group

As set out in the “Letter from Head & Shoulders Securities” contained in the Offer Document, the Offeror intends to continue the existing business of the Group. As at the Latest Practicable Date, the Offeror has not entered into, and has no plans to enter into, any agreement, arrangements, understandings or negotiation in relation to the injection of any assets or business into the Group and has no intention to dispose of or change the scale of any of the Group’s existing business. Subject to the Group’s business needs and prevailing market conditions, the Offeror may explore other business opportunities and consider whether any asset disposal, asset acquisition, fund raising, restructuring of business and/or business diversification will be appropriate in order to enhance long-term growth potential of the Company.

The Offeror has no intention of terminating any employment of the employees of the Group or to make significant changes to any employment as a result of the completion of the Offer. However, the Offeror reserves the right to make any changes that it deems necessary or appropriate to the Group’s business and operations to optimise the value of the Group.

Further details are set out in the “Letter from Head & Shoulders Securities” contained in the Offer Document.

(d) Maintaining the listing status of the Company

As disclosed in the Letter from the Board, the Company had a public float of approximately 39.08% of the Shares in issue as at the Latest Practicable Date. The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public at all times, or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the Shares; or
- (ii) that there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend dealings in the Shares.

As disclosed in the “Letter from Head & Shoulders Securities” contained in the Offer Document, the Offeror intends to maintain the listing of the Shares on the Stock Exchange following the close of the Offer. The Offeror does not intend to avail itself of any powers of compulsory acquisition of any Shares outstanding after the close of the Offer. The Offeror will undertake to the Stock Exchange to take appropriate steps as soon as possible following the close of the Offer to ensure that sufficient public float exists in the Shares after the close of the Offer. The Offeror will issue a separate announcement as and when necessary in this regard. Further details are set out in the “Letter from Head & Shoulders Securities” contained in the Offer Document.

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(e) Response of the Company on the Offeror's intention in relation to the Offer

As disclosed in the Letter from Head & Shoulders Securities" contained in the Offer Document, the average daily trading volume of the Shares for the 12 months up to and including the Last Trading Day was approximately 118,430 Shares per trading day, representing only approximately 0.039% of the total issued Shares as at the date of the Joint Announcement. The low trading liquidity of the Shares could make it difficult for Shareholders to divest scalable on-market disposals without adversely affecting the price of Shares. Therefore, the Offer provides an immediate opportunity for Independent Shareholders to realise their investments in the Shares in return for immediate cash.

(f) Our view

Based on the above, we note that the Company's listing status will be maintained and the Independent Shareholders who do not accept the Offer will continue to be able to trade their Shares on the market after the close of the Offer.

Also, we note that no material changes in terms of the business and operations are expected after the close of the Offer. There appears to be no material concern about the Offeror introducing radical changes to the Group which may materially alter the prevailing status and situation of the Group. We are of the view that this allows the Independent Shareholders to conduct their own assessments of whether to continue investing in the Shares based on the development of the Group that they are already informed of.

The Offer provides an exit alternative for the Independent Shareholders who would like to realise their investments in the Shares, nevertheless, for those Independent Shareholders who, after reading through the recent financial statements of the Company and/or the Response Document, are optimistic about the future prospects of the Group after the Offer, may, having regard to their own circumstances, consider retaining all or any part of their Shares.

4. Analysis of the Offer Price

To assess the fairness and reasonableness of the Offer price, we have considered the following factors:

(a) Comparison of the Offer Price

The Offer Price of HK\$0.175 per Offer Share represents:

- (i) a discount of approximately 29.72% over the closing price of HK\$0.249 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a premium of approximately 12.90% over the closing price of HK\$0.155 per Share as quoted on the Stock Exchange on 3 April 2025, being the last trading day of the Shares immediately prior to the date of the Joint Announcement (the "**Last Trading Day**");

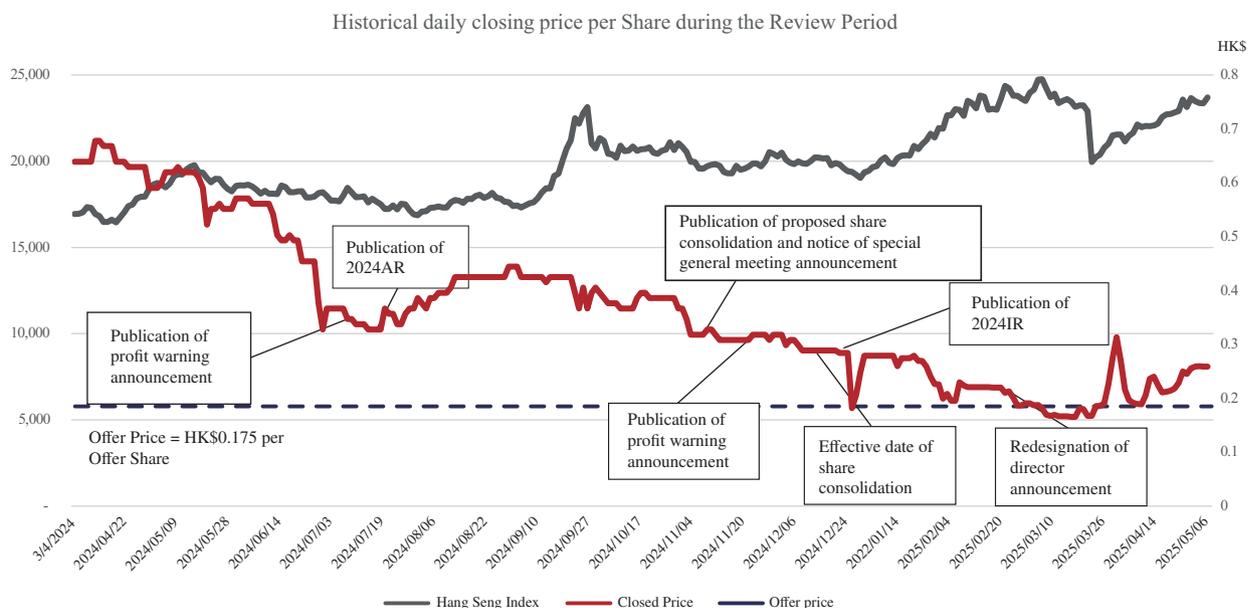
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- (iii) a premium of approximately 9.38% over the average closing price of HK\$0.160 per Share as quoted on the Stock Exchange for the 5 consecutive trading days up to and including the Last Trading Day;
- (iv) a premium of approximately 11.46% over the average closing price of approximately HK\$0.157 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 2.23% to the average closing price of approximately HK\$0.179 per Share as quoted on the Stock Exchange for the last 30 consecutive trading days up to and including the Last Trading Day;
- (vi) a discount of approximately 16.27% to the average closing price of approximately HK\$0.209 per Share as quoted on the Stock Exchange for the last 60 consecutive trading days up to and including the Last Trading Day;
- (vii) a discount of approximately 26.47% to the average closing price of approximately HK\$0.238 per Share as quoted on the Stock Exchange for the last 90 consecutive trading days up to and including the Last Trading Day;
- (viii) a discount of approximately 83.05% to the Company's unaudited consolidated net assets per Share of approximately HK\$1.0324 based on the Company's unaudited consolidated net assets attributable to the owners of the Company of approximately HK\$312,542,000 as of 30 September 2024 and 302,742,424 Shares in issue as at the Latest Practicable Date; and
- (ix) a discount of approximately 84.60% to the Company's audited consolidated net assets per Share of approximately HK\$1.1367 based on the Company's unaudited consolidated net assets attributable to the owners of the Company of approximately HK\$344,135,000 as of 31 March 2024 and 302,742,424 Shares in issue at the Latest Practicable Date.

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(b) Historical price performance of the Shares

Set out below is the movement of the closing prices of the Shares as quoted on the Stock Exchange during the period from 3 April 2024 (being the date one year prior to the Last Trading Day) and up to and including the Latest Practicable Date (collectively, the “**Review Period**”). We are of the view that the price performance of Shares during the Review Period can sufficiently and fairly reflect the market perception on the Company’s performance and outlook and effects of certain events, which may be relevant to our analysis.



Source: Bloomberg and website of the Stock Exchange (www.hkex.com.hk)

As illustrated in the graph above, over the Review Period, the closing price of the Shares ranged from the lowest closing price of HK\$0.153 per Share as recorded on 27 March and 28 March 2025 to the highest closing price of HK\$0.680 per Share as recorded on 11 April and 12 April 2024, respectively. The average closing price of the Shares for the Review Period was approximately HK\$0.370. The Offer Price represented a discount of approximately 74.3% and 52.7% to the highest closing price per Share and average closing price per Share during the Review Period, respectively.

The closing prices of the Shares showed a general downward trend and were traded within the range of HK\$0.153 to HK\$0.68 throughout the Review Period, while the Hang Seng Index shown an upward trend over the same period. This unalignment indicates that external market conditions may not have played a significant role in influencing the fluctuations in share prices of the Company, which were also due to the thin liquidity as discussed below.

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Subsequent to the publication of the Company's profit warning announcement on 24 June 2024 and the release of the 2024AR on 18 July 2024, a significant drop in closing prices were noted. Since early August 2024, the Share price experienced a slight upward trend and went up to HK\$0.44 per Share on 4, 5 and 9 September 2024. We note that the aforesaid upward trend was generally in line with the Hang Seng Index at the relevant time and after making enquiries with the Management, we also note that the Management is not aware of any specific reason for such an incline in the Share prices.

Subsequent to the publication of the Company's proposed share consolidation announcement issued on 12 November 2024 and the profit warning announcement on 21 November 2024, while the consolidation became effective on 11 December 2024; it was accompanied by a marked decline in the closing prices throughout the period. After the release of 2024IR on 16 December 2024, there was a significant drop in the closing price of Shares were noted at HK\$0.17 on 8 January 2025 after making enquiries with the Management, we also note that the Management is not aware of any specific reason for such a decline in the Share prices.

The closing prices of the Shares have been above or equal to the Offer Price for the majority of time following the Joint Announcement and up to the Latest Practicable Date. The closing price of the Shares declined to HK\$0.174 per Share following the publication of the Joint Announcement on 3 April 2025 and the Shares closed between the lowest of HK\$0.174 per Share on 7 and 8 April 2025 and the highest of HK\$0.305 per Share on 14 April 2025 and the closing price of the Shares was HK\$0.249 per Share on the Latest Practicable Date. As advised by the Management, the Company is also not aware of any reasons for the aforementioned Share price fluctuations. The reasons for these surges remain unclear, aside from possible market reactions to announcements by the Company during that time.

Independent Shareholders, especially those holding significant stakes, should note that if they wish to realise their investments in the Company, they might not be able to dispose of the Shares in the market without exerting a downward pressure on the market price of the Shares taking into account the thin liquidity of the Shares as analysed below.

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(c) *Liquidity of the Shares*

Set out below is the table illustrating the daily trading volume of the Shares quoted and the percentages of the relevant average daily trading volume to the total number of Shares in issue during the Review Period:

Monthly	Number of trading days	Total trading volume <i>(Number of Shares)</i>	Average daily trading volume <i>(Number of Shares)</i>	Percentage of	Percentage of
				average daily trading volume to total issued Shares <i>(%) (Note 1)</i>	average daily trading volume to the total number of issued Shares held by the public <i>(%) (Note 2)</i>
2024					
April (from 3 April 2024)	19	2,101,300	110,595	0.0037%	0.0060%
May	21	717,142	34,150	0.0011%	0.0019%
June	19	711,695	37,458	0.0012%	0.0020%
July	22	1,422,919	64,678	0.0021%	0.0035%
August	22	3,870,704	175,941	0.0058%	0.0096%
September	19	2,870,257	151,066	0.0050%	0.0083%
October	21	1,795,279	85,489	0.0028%	0.0047%
November	21	5,028,009	239,429	0.0079%	0.0131%
December	20	2,032,118	101,606	0.0034%	0.0056%
2025					
January	19	1,777,510	93,553	0.0309%	0.0511%
February	20	2,921,741	146,087	0.0483%	0.0798%
March	21	3,997,425	190,354	0.0629%	0.1040%
April	19	7,400,563	389,503	0.1287%	0.2128%
May (up to the Latest Practicable Date) (20 May 2025)	11	3,266,059	29,691	0.0981%	0.1622%
For the Review Period:					
Maximum		7,400,563	389,503	0.129%	0.213%
Minimum		711,695	34,150	0.001%	0.002%
Average		2,850,909	151,202	0.029%	0.047%

Source: The website of the Stock Exchange (www.hkex.com.hk)

Notes:

- Percentage of average daily trading volume to the total number of issued Shares is calculated by dividing the average daily trading volume for the month/period by the total number of Shares in issue at the end of each month/period.
- Percentage of average daily trading volume to the total number of issued Shares held by the public is calculated by dividing the average daily trading volume for the month/period by the total number of Shares in issue held by the Independent Shareholders as at the end of each month/period.

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As illustrated in the above table, during the Review Period, the average daily trading volume of the Shares ranged between 34,150 Shares and 389,503 Shares, representing approximately 0.001% to 0.129% of the total number of Shares in issue as at the end of the respective month/period, and approximately 0.002% to 0.213% of the total number of Shares held by public Shareholders as at the end of the respective month/period.

We are of the view that the liquidity of the Shares during the Review Period was thin. Such a low level of liquidity might cause difficulty for the Independent Shareholders to dispose of their Shares in the market. Therefore, we consider that the Offer provides an assured exit alternative for the Independent Shareholders, to realise part or all of their investments in the Shares at the Offer Price of HK\$0.175 per Offer Share if they wish so.

(d) Comparison of Offer Price against Net Asset Value(s) (“NAV(s)”) per Share

We have taken into consideration various principal factors in our assessment of the fairness and reasonableness of the terms of the Offer. These include, among others, our analysis of the significant discounts when comparing the Offer Price with the NAVs per Share at relevant times.

The Group’s port and port-related services mainly consist of (i) unloading petrochemicals owned by the Group’s customers from incoming vessels at the berth of the Group’s port to the Group’s oil tanks and related facilities; (ii) storage of petrochemicals owned by the Group’s customers at the Group’s oil tanks and related facilities; and (iii) loading petrochemicals of the Group’s customers onto outgoing vessels, trains and oil trucks from the Group’s oil tanks and facilities. Therefore, the port facilities, especially oil tanks and other related facilities are crucial to this business segment. As of 31 March 2024 and 30 September 2024, approximately 55.7% and 60.5% of the consolidated total assets of the Group were non-current assets, which mainly include right-of-use assets (representing land and sea areas use right, oil tanks and related facilities) and property, plant and equipment thereon (representing mainly port infrastructure, oil tanks and related facilities, plant and machinery and construction in progress), served for petrochemical business segment for provision of petrochemical port and storage services. For heavy assets-based companies listed in Hong Kong, discount to NAV analysis, which is also known as price-to-book ratios (the “**P/B ratio(s)**”), is the more commonly used approach for valuation purpose. Accordingly, we have attempted to conduct an analysis by comparing the implied P/B ratio of the Company based on the Offer Price with those of other comparable companies.

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Given that the Group (i) is listed on the Main Board of the Stock Exchange and had a market capitalisation of approximately HK\$46.9 million based on the closing price of HK\$0.155 per Share as quoted on the Stock Exchange on the Last Trading Day and an implied market capitalisation of approximately HK\$53.0 million based on the Offer Price; and (ii) one of its major business segment is related to provision of petrochemical port and storage service (the “**Relevant Segment**”), which accounts of over 50% of its total assets, we considered it is appropriate to evaluate the P/B ratio based on comparable(s) from the Relevant Segment.

We set the following criteria for the purpose of our selection of comparable companies which (i) are listed on the Main Board of the Stock Exchange; (ii) engage in provision of petrochemical port and storage services similar to those of the Group; (iii) companies of comparable size to the Company with market capitalisation between approximately HK\$30 million and approximately HK\$300 million; and (iv) derived over 50% of revenue from the Relevant Segment during the latest full financial year. Based on these selection criteria, we have been able to identify three comparable company as the relevant benchmarks for the purpose of this analysis (the “**NAV Comparable Companies**”). The table below sets out, among other things, the discount to NAV and the P/B ratio of each of the NAV Comparable Companies, and the implied discount to the NAV and the implied P/B ratio of the Company:

Company name (stock code)	Principal Business	Market capitalisation (approximately) <i>(Note 1)</i> <i>HK 'million</i>	NAV (approximately) <i>(Note 2)</i> <i>HK 'million</i>	P/B ratio (approximately) <i>(Note 3)</i>	Discount to NAV (approximately) <i>(Note 4)</i>
Blue River Holdings Ltd. (498)	principally engaged in ports and logistics segment and accounted for over 90% of revenue in its latest financial report, also engaged in securities segment, financial services segment, and property segment	56.21	750.3	0.075	92.5
Xiangxing International Holding Ltd (“ Xiangxing ”) (1732)	principally engaged in the provision of intra-port services, logistics services and supply chain operations, which do not require substantial facilities or assets to perform services	125.4	216.7 <i>(Note 8)</i>	0.579	42.1

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Company name (stock code)	Principal Business	Market capitalisation (approximately) <i>(Note 1)</i> <i>HK 'million</i>	NAV (approximately) <i>(Note 2)</i> <i>HK 'million</i>	P/B ratio (approximately) <i>(Note 3)</i>	Discount to NAV (approximately) <i>(Note 4)</i>
Tian Yuan Group Holdings Ltd (“ Tian Yuan ”) (6119)	principally engaged in the provision of bulk and general cargo uploading and unloading services and related ancillary value-added port services as well as supply and sales of oil products, which do not require substantial facilities or oil tanks assets to perform services	207.0	335.2 <i>(Note 8)</i>	0.618	38.2
			Maximum:	0.618	92.5
			Minimum:	0.075	38.2
			Average:	0.218	57.6
			Median:	0.579	42.1
The Company (372)		53.0 <i>(Note 5)</i>	312.5	0.17 <i>(Note 6)</i>	83.0 <i>(Note 6)</i>
				0.17 <i>(Note 7)</i>	84.6 <i>(Note 7)</i>

Source: Bloomberg and website of the Stock Exchange (www.hkex.com.hk) and the annual/interim reports of the listed companies

Notes:

1. Market capitalisation is calculated based on (i) the total number of shares in issue and (ii) the closing share price of the NAV Comparable Companies as at the Latest Practicable Date.
2. The latest published consolidated NAV attributable to equity holders of the NAV Comparable Companies as set out in its latest financial report available as at the Latest Practicable Date.
3. The P/B Ratio of the NAV Comparable Companies is calculated based on (i) its respective market capitalisation as at the Latest Practicable Date and divided by (ii) the NAV attributable to the owners of the NAV Comparable Companies as set out in its latest financial reports available as at the Latest Practicable Date.
4. The discount to NAV(s) of the NAV Comparable Companies is calculated with reference to their P/B ratios.
5. The implied market capitalisation of the Company is calculated based on (i) the Offer Price of HK\$0.175 multiplied by total number of issued Shares of 302,742,424 of the Company as at the Latest Practicable Date.

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6. The implied P/B ratio and discount to NAV of the Company is calculated based on (i) the Offer Price of HK\$0.175 multiplied by total number of issued Shares of 302,742,424 as at the Latest Practicable Date and then divided by (ii) unaudited consolidated net assets attributable to the owners of the Company of approximately HK\$312,542,000 as of 30 September 2024 as shown in the 2024IR.
7. The implied P/B ratio and discount to NAV of the Company is calculated based on (i) the Offer Price of HK\$0.175 multiplied by total number of issued Shares of 302,742,424 as at the Latest Practicable Date and then divided by (ii) the NAV attributable to equity holders of the Company of approximately HK\$344,135,000 as of 31 March 2024 as shown in the 2024AR.
8. For the purpose of calculation, the translation into HK\$ is based on the exchange rate of RMB1.00 to HK\$1.0658 as of the Latest Practicable Date according to Bloomberg, and is provided solely for illustrative purposes.

Based on the above table, the P/B Ratios of the NAV Comparable Companies range from approximately 0.075 times to 0.618 times, with an average of approximately 0.218 times and a median of approximately 0.579 times. The implied P/B Ratio of the Company based on the Offer Price is approximately 0.17 times, which is within the range but is much lower than the average P/B Ratios of the NAV Comparable Companies.

The discount to NAV of the NAV Comparable Companies range from approximately 38.2% to 92.5%, with an average of approximately 57.6% times and a median of approximately 42.1%. The discounts to NAVs of the Company of approximately 83.0% and 84.6% based on different reporting periods are within the range but are higher than the average discounts to NAVs of the NAV Comparable Companies.

The reason for the above deviation in P/B Ratios and discounts to NAV compared with Xiangxing and Tian Yuan is mainly due to both the Company and Blue River Holdings Ltd. are engaging in the petrochemical segment for uploading and unloading petrochemicals. It is commonly requirement for suppliers to provide substantial oil tanks and related facilities for performing unloading and storage of petrochemicals for its customers. As per discussed with the Management, these oil tanks and related facilities are crucial for serving petrochemical customers but are not a pre-requisite for other intra-port services or logistic services performed by Xiangxing and cargo uploading and unloading services performed by Tian Yuan. Therefore, with the substantial oil tanks and related facilities, the Company is a heavy asset-based company which makes the Company resulted in a much higher NAV per Share, lower P/B Ratio and higher discount to NAV than that of Xiangxing and Tian Yuan. Whilst Blue River Holdings Ltd. has a Ports and Logistics segment that is similar to the Group, the P/B Ratio and discount to NAV of the Group is close to that of Blue River Holdings Ltd's. We are of the view that despite the substantial discounts to NAV of the Company, the Offer Price is fair and reasonable given the Company operated as a heavy asset-based company compared to Xiangxing and Tian Yuan and the discounts to NAV of the Company is close to but slightly lower than that of Blue River Holdings Ltd.

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Besides, we have also considered the historical trading price vis-à-vis NAV, we note that the Shares had been consistently traded at discounts to the NAV per Share for a prolonged period of time. In particular, the discounts to NAV per Share at which the Shares were traded during the periods indicated below show that the trading price of the Shares does not have correlation to the change in the NAV:

Year/period end		NAV per Share <i>(Note 1)</i> HK\$	Average closing Share price <i>(Note 2)</i> HK\$	Discount to NAV per Share <i>(Note 3)</i>	
For the six months ended	30.9.2022	2.19	1.0171	53.5%	
For the year ended	31.3.2023	1.66	0.7057	57.4%	
For the six months ended	30.9.2023	2.38	0.5595	76.5%	
For the year ended	31.3.2024	1.14	0.3679	67.6%	
For the six months ended	30.9.2024	1.03	0.2222	78.5%	
			<i>(Note 4)</i>		
		Maximum:	2.38	1.0171	78.5%
		Minimum:	1.03	0.2222	53.5%
		Average:	1.68	0.5744	66.7%

Source: The website of the Stock Exchange; annual and interim reports of the Company

Notes:

1. Being the audited/unaudited consolidated NAV as at the respective year/period end date as extracted from the respective annual/interim results announcement published by the Company.
2. Representing the average closing Share price during the period from the trading day following the publication by the Company of its audited annual results or unaudited interim results (as the case may be) to the trading day on which the subsequent unaudited interim results or audited annual results (as the case may be) were published.
3. Representing the discount of the average closing Share price to the NAV per Share as at the respective year/period end date.
4. Representing the average closing Share price during the period from 16 December 2024, being the trading day following the publication by the Company of its unaudited interim results for the six months ended 30 September 2024, to the Last Trading Day.

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In particular, the Shares had been traded at a discount of more than 50% to the NAV per Share for a prolonged period of time which implies that the market might not have valued the Shares solely with reference to the NAV per Share and Independent Shareholders may not be able to realise their investments in the Shares through an on-market transaction at a price equal or similar to the NAV per Share.

Accordingly, we are of the opinion that the Offer Price, with reference to (a) both the implied P/B Ratio of the Company and discounts to NAV of the Company are within the range of the NAV Comparable Companies and given the heavy asset-based of its petrochemical operating segment which is different from the NAV Comparable Companies as explained above; and (b) the Shares had been traded at a discount of more than 50% to the NAV per Share for a prolonged period of time, is fair and reasonable so far as the Independent Shareholders are concerned. In assessing the Offer Price, we consider that it would only be appropriate to assess the discount represented by the Offer Price to the NAV per Share, along with other factors including but not limited to (i) the financial performance and business prospects of the Group; (ii) Offer Price comparison to the historical and prevailing Share prices; and (iii) the trading liquidity of the Shares as set out in this letter, which are more relevant from the perspective of Independent Shareholders in considering their investment return in the Shares and whether or not to accept the Offer.

(e) Comparable analysis

To further assess the fairness and reasonableness of the Offer Price, we have also considered comparisons on price-to-earnings ratio (“**P/E Ratio**”) and price-to-sales ratio (“**P/S Ratio**”), which are the benchmarks commonly adopted in the evaluation of a company apart from P/B Ratio as analysed above.

As set out in the 2024AR and 2024IR, the revenue generated from the commodity trading business was approximately HK\$98.5 million and HK\$46.6 million which accounted for approximately 64.8% and 61.2% of the total revenue of the Group for the year ended 31 March 2024 and for the six months period ended 30 September 2024, respectively. Given that the majority of the revenue of the Group is derived from trading of commodities, we have selected comparable companies based on the following selection criteria: (i) companies with at least 60% of revenue derived from commodity trading business, according to their latest published annual reports or prospectus; (ii) companies of comparable size to the Company with market capitalisation between approximately HK\$30 million and approximately HK\$300 million; and (iii) the shares of which are listed on the Main Board of the Stock Exchange.

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Based on the above selection criteria, we have identified an exhaustive list of four comparable companies (the “**Comparable Companies**”). Shareholders should note that the businesses, business models, operations and prospects of the Group are not exactly the same as the Comparable Companies. Nevertheless, we believe that the Comparable Companies are able to serve as fair and representative samples for comparison purposes. The details of the Comparable Companies are set forth below:

Company name (stock code)	Type of commodities trading	Market capitalisation as at the Latest Practicable Date (Note 1) (HK\$ million)	P/E Ratio (Note 2)	P/S Ratio (Note 3)
Shuao International Holdings Ltd. (2336)	Metals	150.72	N/A	1.06
Rare Earth Magnesium Technology Group Holdings Ltd (601)	Magnesium	40.88	N/A	0.26
China Kingstone Mining Holdings Ltd (1380)	Marble Slag	38.88	N/A	0.60
Future Bright Mining Holdings Ltd (2212)	Coals	81.10	N/A	1.63
		Maximum	N/A	1.63
		Minimum	N/A	0.26
		Average	N/A	0.89
		Median	N/A	0.83
The Company Based on Offer Price (Note 4)	Diesel oil	53.0	N/A	0.35

Source: The website of the Stock Exchange (www.hkex.com.hk)

Notes:

- The market capitalisation of the Comparable Companies is calculated based on the respective closing prices of their shares and the total number of issued shares as at the Latest Practicable Date.
- The P/E Ratios of the Comparable Companies are calculated based on their respective market capitalisation and profit attributable to owners of the company as disclosed in the latest published financial statements on or before the Latest Practicable Date.

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3. The P/S Ratios of the Comparable Companies are calculated based on their respective market capitalisation and operating revenue as disclosed in the latest published financial statements on or before the Latest Practicable Date.
4. The implied market capitalisation of the Company is calculated based on the Offer Price of HK\$0.175 per Share and the total number of issued Shares of 302,742,424 as at the Latest Practicable Date. The implied P/E Ratio of the Company is calculated based on the implied market capitalisation implied by the Offer Price, divided by the loss attributable to owners of the Company published in the 2024AR. The implied P/S Ratio of the Company is calculated based on the implied market capitalisation implied by the Offer Price, divided by the operating revenue of the Company published in the 2024AR.

As illustrated in the table above, all the Comparable Companies and the Company are making losses for the latest financial year and thus the P/E Ratios could not be compared and assessed.

The P/S Ratios of the Comparable Companies range from approximately 0.26 times to 1.63 times, with an average of approximately 0.89 times and a median of approximately 0.83 times. The implied P/S Ratio of the Company based on Offer Price is approximately 0.35 times, which is within the range but close to the lowest P/S Ratios of the Comparable Companies. For Independent Shareholders reference, we are of the view that the Offer Price is fair and reasonable from a price-to-sales valuation standpoint given (i) the implied P/S Ratio of the Company is within the range of the Comparable Companies which implies the valuation of the Company based on revenue is comparable to the Comparable Companies; and (ii) the implied P/S Ratio of the Company is close to the lower end of the range of the Comparable Companies is reasonable given the different types of commodities (i.e. oil, magnesium, marble) traded by the Comparable Companies may have different pricings, gross profits that may affect the valuation of the companies. As the Group's commodity trading segment is diesel oil which is highly competitive and has thin gross profit margin, so the valuation of the Group would expected to be lower than other types of commodity trading with higher gross profit margins.

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(f) Pricing of recent voluntary cash offers

Moreover, in assessing the fairness and reasonableness of the terms of the Offer, we also considered the pricing of other recent voluntary cash offers announced within 6 months prior to the publication of the Joint Announcement and up to and including the Latest Practicable Date.

We intentionally excluded privatisations, mandatory cash offers and companies, which the shares were in prolonged suspension on the date of the relevant announcement with trading suspension for over three months or more according to the “Prolonged Suspension Status Report” released monthly by the Stock Exchange. In our analysis given the difference in nature of such transactions with voluntary cash offers and the fact that the Offeror has expressly stated that they do not have any intention to make any application for the withdrawal of the listing of the Shares on the Stock Exchange as the Offer is not a “takeover offer” within the meaning of the Companies Ordinance on the ground that the Offer Shares will not represent all the issued Shares not held by the Offeror at the time of the making of the Offer and therefore, no right to compulsory acquisition will arise.

We were able to identify an exhaustive list of four voluntary cash offers from other listed companies in Hong Kong within 6 months prior to the publication of the Joint Announcement and up to and including the Latest Practicable Date for comparison purpose. Nevertheless, out of these four comparable voluntary cash offer transactions, there was no transaction relating to listed companies which engage in similar business(es) as the Company. Accordingly, we could only limit our analysis on these voluntary cash offers from a pricing perspective.

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We set out below a summary of the selected comparable companies which were the subjects of voluntary cash offers within 6 months prior to the publication of the Joint Announcement and up to and including the Latest Practicable Date:

Company name (stock code)	Date of initial announcement	Date of composite document	Principal business	Offer price (HK\$)	Implied market capitalisation based on the offer price (Note 1) (HK\$ million)	Closing price per share quoted on the Stock Exchange on the last trading day (the "LTD Price") (HK\$)	Premium/ (discount) of offer price over/(to) the average closing price of 5 trading days immediately prior to and including the LTD Price (%)	Premium/ (discount) of offer price over/(to) the average closing price of 10 trading days immediately prior to and including the LTD Price (%)	Premium/ (discount) of offer price over/(to) the average closing price of 30 trading days immediately prior to and including the LTD Price (%)	
Elife Holdings Limited (223)	1 November 2024	7 February 2025	Engaged in the supply chain business for branded goods and consumer products	0.11	149.2	0.119	(7.56)	(11.29)	(9.09)	(21.99)
Courage Investment Group Limited (1145)	4 December 2024	17 January 2025	Engaged in the business of marine transportation (provision of vessel chartering services), investment holding, property holding and investment, and merchandise trading	0.1094	115.1	0.12	(8.83)	(13.72)	(19.79)	(25.73)

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Company name (stock code)	Date of initial announcement	Date of composite document	Principal business	Offer price (HK\$)	Implied market capitalisation based on the offer price (Note 1) (HK\$ million)	Closing price per share quoted on the Stock Exchange on the last trading day (the "LTD Price") (HK\$)	Premium/ (discount) of offer price over/(to) the average closing price of 5 trading days immediately prior to and including the LTD Price (%)	Premium/ (discount) of offer price over/(to) the average closing price of 10 trading days immediately prior to and including the LTD Price (%)	Premium/ (discount) of offer price over/(to) the average closing price of 30 trading days immediately prior to and including the LTD Price (%)
Hunlicar Group Limited (3638)	20 February 2025	11 March 2025	Engaged in (i) computer and electronic products trading business, (ii) food trading business, (iii) financial services business and (iv) family office services business	4.50	348.4	5.06	(12.96)	(9.95)	(4.45)
Microwave Group Limited (1985)	20 March 2025	28 April 2025	Engaged in the provision of information technology infrastructure solutions and managed services and artificial intelligence solutions services	1.36	366.0	1.22	9.85	N/A	7.42

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Company name (stock code)	Date of initial announcement	Date of composite document	Principal business	Offer price (HK\$)	Implied market capitalisation based on the offer price (Note 1) (HK\$ million)	Closing price per share quoted on the Stock Exchange on the last trading day (the "LTD Price") (HK\$)	Premium/ (discount) of offer price over/(to) the average closing price of 5 trading days immediately prior to and including the LTD Price (%)	Premium/ (discount) of offer price over/(to) the average closing price of 10 trading days immediately prior to and including the LTD Price (%)	Premium/ (discount) of offer price over/(to) the average closing price of 30 trading days immediately prior to and including the LTD Price (%)
				Maximum			11.48	9.85	7.42
				Minimum			(11.24)	(13.72)	(25.73)
				Average			(4.04)	(7.03)	(11.19)
				Median			(8.20)	(12.13)	(13.22)
The Company				0.175	53.0 (Note 2)	0.155	12.90	9.38	11.46

Source: Bloomberg and website of the Stock Exchange (www.hkex.com.hk)

Notes:

1. The calculation of implied market capitalization is based on the offer price multiplied by the number of issued shares of the company as at the date of respective offer announcement of the comparable voluntary cash offer transactions.
2. The implied market capitalisation of the Company is calculated based on (i) the Offer Price of HK\$0.175 multiplied by total number of issued Shares of 302,742,424 of the Company as at the Latest Practicable Date.

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As shown in the table above, the Offer Price represents a premium of approximately 12.90%, 9.38% and 11.46%, respectively, over the LTD Price, average closing prices of 5 trading days immediately prior to and including the Last Trading Day, 10 trading days immediately prior to including the Last Trading Day and a slight discount of approximately 2.23% over the 30 trading days immediately prior to and including the Last Trading Day, which are all higher than the averages and medians of offer price comparison among the four comparable voluntary cash offer transactions listed above. On this basis, we are of the opinion that the Offer Price is fair and reasonable so far as the Offer Shareholders are concerned.

RECOMMENDATIONS

Based on our analysis above and, in particular, having considered the following key factors (which should be read in conjunction with and interpreted in the full context of this letter):

- (i) while the Group recorded profit attributable to owners of the Company for the year ended 31 March 2021 which was mainly due to the gain on disposal of an associate and fair value gain on financial instrument which are both one-off in nature, excluding these one-off effects, the Group recorded continuous loss attributable to owners of the Company for five years ended 31 March 2020, 2021, 2022, 2023 and 2024, which demonstrates that the Group has been operating in a challenging environment and has not been able to recover or turnaround its financial performance, as discussed in the paragraphs headed “2. Information on the Group” in this letter;
- (ii) the Offer presents an opportunity for Independent Shareholders to exit at a price the premiums implied by the Offer Price to the LTD Price, average closing prices of 5 trading days immediately prior to and including the Last Trading Day, 10 trading days immediately prior to and including the Last Trading Day are all higher than the averages and medians of offer price comparison among the comparable voluntary cash offer transactions;
- (iii) the Offer Price represents a material discount of approximately 83.05% and 84.60% to the NAV per Share based on the Company’s unaudited consolidated net assets attributable to the owners of the Company as of 30 September 2024 and as of 31 March 2024, which is within the range but are higher than the average discounts to NAVs of the NAV Comparable Companies and the implied P/B ratio of the Company of approximately 0.17 times is within the range but is much lower than the average P/B Ratios of the NAV Comparable Companies. Nonetheless, the Shares had been traded at substantial discounts of more than 50% to the NAV per Share for a prolonged period of time which implies that the market might not have valued the Shares solely with reference to the NAV per Share and Independent Shareholders may not be able to realise their investments in the Shares through an on-market transaction at a price equal or similar to the NAV per Share;

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- (iv) the implied P/S Ratio of the Company based on Offer Price is within the range but close to the lowest the P/S Ratios of the Comparable Companies;
- (v) the closing price of the Shares has demonstrated a downward trend since mid-November 2024 until mid-March 2025, where the closing price of the Shares as low as HK\$0.153 per Share on 27 March 2025, which is below the Offer Price, as discussed in paragraphs headed “5(b) Historical price performance of the Shares” in this letter;
- (vi) the very low liquidity of the Shares would cause difficulties for the Offer Shareholders to execute substantial on-market disposals without adversely affecting the price of the Shares;
- (vii) the validity of the going concern assumptions on which the consolidated financial statements have been prepared depends on the outcome of these plans and measures, which are subject to multiple uncertainties, including: (i) successful negotiation with a bank for revising the loan covenants and not demanding immediate repayment of existing bank loan due to the breach of loan covenants in relation to the property preservation orders received from the court under certain legal proceedings in relation to sale and leaseback arrangements and debt dispute since August 2022; (ii) successful negotiation with the lessor for extension of the remaining sale and leaseback contracts of oil storage tanks; (iii) successfully defending the Group against civil complaints filed by the civil litigants; and (iv) successfully disposing of the Group’s investment in an unlisted fund. Whether the Group will be able to continue as a going concern would depend upon the Group’s ability to mitigate its liquidity pressure and improve its financial position. Should the Group fail to achieve the above-mentioned plans and measures, it might not be able to continue to operate as a going concern, and adjustments might have to be made to write down the carrying values of the Group’s assets to their recoverable amounts, to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively, or to recognise a liability for any contractual commitments that may have become onerous, where appropriate. Therefore, the Offer may provides a good exit opportunity to the Independent Shareholders who do not wish to assume the potential risks of bankruptcy or insolvency or inability to continue as a going concern of the Company;
- (viii) the impacts of the challenging business environment remains uncertain may have on the future performance of the Group, the business prospect of the Group will remain uncertain going forward. Therefore, the Offer may provides a good exit opportunity to the Independent Shareholders who do not wish to assume the potential risks in the challenging business environment operated by the Company; and
- (ix) as at the Latest Practicable Date, the Group has been involved in a number of litigations that are set out in the section headed “7. Material Litigation” in Appendix II to this Response Document, these litigations were still ongoing, the outcomes of these litigations remain uncertain. Based on the foregoing, the Offer provides a good exit opportunity to the Independent Shareholders who do not wish to assume the potential risks of contingent liabilities and costs associated to these ongoing litigations.

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On balance, we are of the opinion that the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we advise the Independent Shareholders to accept the Offer. The Independent Shareholders should read carefully the procedures for accepting the Offers as detailed in the Offer Document and the Response Document, the appendices to the Offer Document and the Response Document and the form of acceptance if they wish to accept the Offer.

As different Shareholders would have different investment criteria, objectives, risk preferences and tolerance levels and/or circumstances, we would recommend the Independent Board Committee to advise any Shareholder who may require advice in relation to any aspect of the Offer, or as to the action to be taken, to consult with a licensed securities dealer, bank manager, solicitor, professional accountant, tax adviser or other professional adviser before making the decision to, whether or not, accept the Offer. The Shareholders should note that in making our recommendation, we express no opinion on the business strategy, the future performance of the Group, and its underlying businesses.

Yours faithfully,
For and on behalf of
Grande Capital Limited

Matthew Leung
Responsible Officer

Erica Mak
Responsible Officer

Mr. Matthew Leung is licensed under the Securities and Futures Ordinance to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO and is currently a responsible officer and sponsor principal of Grande Capital Limited. Mr. Leung has over 14 years of experience in the corporate finance industry.

Ms. Erica Mak is a Responsible Officer of Grande Capital Limited licensed to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO and permitted to undertake work as a sponsor. Ms. Mak has over 13 years of experience in accounting and corporate finance in Hong Kong.

1. SUMMARY OF THE FINANCIAL INFORMATION

Set out below is a summary of the audited consolidated financial results of the Group for the three financial years ended 31 March 2022, 2023 and 2024, respectively, as extracted from the relevant published annual report of the Company for the relevant years, and the unaudited consolidated financial results of the Group for the six months ended 30 September 2023 and 2024, as extracted from the relevant published interim report of the Company for the relevant periods.

	For the six months ended		For the financial year ended 31 March		
	30 September		2024	2023	2022
	2024	2023	2024	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(audited)	(audited)	(audited)
		(restated)		(restated)	
Continuing operations (Note)					
Revenue					
Contracts with customers	76,034	19,961	151,959	411,286	882,232
Interest under effective interest method	–	–	–	16	2,259
Total revenue	76,034	19,961	151,959	411,302	884,491
Cost of sales	(71,741)	(20,614)	(235,174)	(682,884)	(838,310)
Gross profit (loss)	4,293	(653)	(83,215)	(271,582)	46,181
Other income and expenses, other gains and losses	(2,533)	(3,675)	(5,544)	13,907	345
Net (losses) gains on financial instruments	(27,882)	401,851	124,522	39,207	(77,446)
Impairment losses on goodwill	–	–	–	(5,270)	–
Selling and distribution expenses	(148)	–	(151)	(2,980)	(23,582)
Administrative expenses	(28,645)	(36,284)	(75,189)	(79,353)	(90,093)
Finance costs	(8,272)	(7,650)	(16,928)	(19,393)	(26,008)
Share of results of joint venture	(57)	–	–	–	–
Net gain on deconsolidation of a subsidiary	16,204	–	–	–	–
(Loss) profit before taxation	(47,040)	353,589	(56,505)	(325,464)	(170,603)
Income tax expense	–	–	–	(2)	–
(Loss) profit for the period/year from continuing operations	(47,040)	353,589	(56,505)	(325,466)	(170,603)
Discontinued operation					
Loss for the period/year from discontinued operation	(956)	(13,194)	(32,745)	(34,939)	–
(Loss) profit for the period/year	(47,996)	340,395	(89,250)	(360,405)	–

	For the six months ended		For the financial year ended 31 March		
	30 September		2024	2023	2022
	2024	2023	2024	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(audited)	(audited)	(audited)
		(restated)		(restated)	
Other comprehensive income (expense):					
<i>Item that may be reclassified subsequently to profit or loss:</i>					
Exchange differences arising on translation of foreign operations	3,923	(2,476)	(4,953)	(37,829)	12,964
Released on deconsolidation of a subsidiary	10,637	(2)	(2)	–	–
Reclassification adjustment of reserves released on deregistration of a subsidiary	–	–	–	–	(327)
Other comprehensive income (expense) for the period/year	14,560	(2,478)	(4,955)	(37,829)	12,637
Total comprehensive (expenses) income for the period/year	(33,436)	337,917	(94,205)	(398,234)	(157,966)
(Loss) profit for the period/year attributable to owners of the Company					
– from continuing operations	(40,269)	365,696	8,129	(170,937)	–
– from discontinued operation	(861)	(13,507)	(29,470)	(31,025)	–
(Loss) profit for the period/year attributable to owners of the Company	(41,130)	352,189	(21,341)	(201,962)	(158,417)
Loss for the period/year attributable to non-controlling interests					
– from continuing operations	(6,771)	(10,293)	(64,634)	(154,529)	–
– from discontinued operation	(95)	(1,501)	(3,275)	(3,914)	–
Loss for the period/year attributable to non-controlling interests	(6,866)	(11,794)	(67,909)	(158,443)	(12,186)
	<u>(47,996)</u>	<u>340,395</u>	<u>(89,250)</u>	<u>(360,405)</u>	<u>(170,603)</u>

	For the six months ended		For the financial year ended 31 March		
	30 September		2024	2023	2022
	2024	2023	2024	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(audited)	(audited)	(audited)
		(restated)		(restated)	
Total comprehensive (expenses) income for the period/year attributable to:					
Owners of the Company	(31,593)	349,802	(25,741)	(224,357)	(150,739)
Non-controlling interests	(1,843)	(11,885)	(68,464)	(173,877)	(7,227)
	<u>(33,436)</u>	<u>337,917</u>	<u>(94,205)</u>	<u>(398,234)</u>	<u>(157,966)</u>
	<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>
					(restated)

(Loss) earnings per share:

From continuing and discontinued operations

Basic	(1.36)	12.82	(0.74)	(8.94)	(7.01)
Diluted	N/A	12.82	(0.74)	(8.94)	(7.01)
From continuing operations					
Basic	(1.33)	13.32	0.28	(7.56)	
Diluted	N/A	13.32	0.28	(7.56)	

Note:

In March 2024, the Group commenced the process to appoint administrators in Cupral Group Ltd. (“**Cupral**”), a former subsidiary engaged in recycling and trading of metals, in the United Kingdom pursuant to the Insolvency Act 1986 of the United Kingdom. The appointment of the administrators would bring into effect a statutory moratorium which prevents any legal action by the creditors of Cupral so that the administrators could effect the realisation of its assets. The appointment of administrators was completed on 9 April 2024.

Upon the appointment, the legal control of the business of Cupral was transferred from the directors of Cupral to the administrators acting as agent of the affairs of Cupral. As the management of the Cupral had terminated the trading of recycled metals in March 2024, the operating results of Cupral was recorded in loss from discontinued operations accordingly.

Save as disclosed above, there are no other items of income or expenses which are material for the three years ended 31 March 2022, 2023 and 2024 and for the six months ended 30 September 2023 and 2024.

For each of the years ended 31 March 2022, 2023 and 2024 and for the six months ended 30 September 2023 and 2024, no dividend was declared or paid.

The auditors of the Company, Deloitte Touche Tohmatsu, has issued disclaimer of opinion related to going concern on the respective financial statements of the Group for the two years ended 31 March 2023 and 2024 because of the potential interaction of the multiple uncertainties relating to going concern and their possible cumulative effect on the consolidated financial statements, further details of which are set out in the paragraphs headed "Multiple uncertainties relating to going concern" under the sections headed "Basis for Disclaimer of Opinion" for the years ended 31 March 2023 and 31 March 2024 as set out below. Relevant extracts of the auditor's report in respect of the disclaimer opinion for the consolidated financial statements of the Group for each of the year ended 31 March 2023 and 2024 are produced below:

For the year ended 31 March 2023

DISCLAIMER OF OPINION

We were engaged to audit the consolidated financial statements of PT International Development Corporation Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 81 to 187, which comprise the consolidated statement of financial position as at 31st March, 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

We do not express an opinion on the consolidated financial statements of the Group. Because of the potential interaction of the multiple uncertainties relating to going concern and their possible cumulative effect on the consolidated financial statements as described in the Basis for Disclaimer of Opinion section of our report, we have not been able to form an audit opinion on these consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR DISCLAIMER OF OPINION

As set out in note 3.1 to the consolidated financial statements, the Group is subject to legal claims in relation to sale and leaseback arrangements and debt dispute and such claims amounted to approximately Renminbi ("RMB") 553,641,000 (equivalent to HK\$632,785,000) in aggregate as at 31st March, 2023. Under certain legal proceedings in relation to sale and leaseback arrangements and debt dispute, the Group has received property preservation orders to restrict the disposition of certain assets and the withdrawal of bank deposits since August 2022.

As at 31st March, 2023, the Group had an outstanding bank loan with a carrying amount of HK\$121,012,000 and outstanding lease liabilities arising from sale and leaseback arrangements of oil storage tanks with a carrying amount of HK\$397,885,000. Due to the property preservation orders received from the court, the Group has breached certain covenants of the bank loan and certain terms of the sale and leaseback contracts, thus the bank may request immediate repayment of the loan and the lessor may request immediate repayment of the remaining lease payments. Accordingly, the corresponding loan and lease liabilities have been classified as current liabilities as at 31st March, 2023.

Multiple uncertainties relating to going concern

The Group recorded net current liabilities of HK\$536,095,000 as at 31st March, 2023. The Group also reported a loss of approximately HK\$360,405,000 and had a net operating cash outflow of HK\$50,529,000 for the year ended 31st March, 2023.

These conditions, together with other matters disclosed in note 3.1 to the consolidated financial statements, indicate the existence of material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern and the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Group has taken plans and measures to mitigate its liquidity pressure and improve its financial position, which are set out in note 3.1 to the consolidated financial statements. The validity of the going concern assumptions on which the consolidated financial statements have been prepared depends on the outcome of these plans and measures, which are subject to multiple uncertainties, including: (i) successful negotiation with a bank for revising the loan covenants and not demanding immediate repayment of existing bank loan due to the breach of loan covenants as mentioned above and drawdown of bank borrowings from available banking facilities; (ii) successful negotiation with the lessor for extension of the sale and leaseback contracts of oil storage tanks; (iii) successfully defending the Group against civil complaints filed by the civil litigants; (iv) successfully obtaining funds in the capital markets or additional loans of financing from banks or other financial institutions; and (v) successfully disposing of the Group's investment in an unlisted fund.

Should the Group fail to achieve the above-mentioned plans and measures, it might not be able to continue to operate as a going concern, and adjustments might have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively, or to recognise a liability for any contractual commitments that may have become onerous, where appropriate. The effects of these adjustments have not been reflected in the consolidated financial statements.

Given the execution of the above plans and measures by the Group are in progress and no written contractual agreements are available to the Group as at the date of the approval for issuance of the consolidated financial statements with details as set out in note 3.1 to the consolidated financial statements, and in view of the potential interaction of the multiple uncertainties relating to going concern and their possible cumulative effect on the consolidated financial statements, we are unable to form an opinion as to whether the going concern basis of preparation of the consolidated financial statements of the Group is appropriate and we disclaim our opinion on the consolidated financial statements of the Group in respect of year ended 31st March, 2023.

For the year ended 31 March 2024

DISCLAIMER OF OPINION

We were engaged to audit the consolidated financial statements of PT International Development Corporation Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 79 to 167, which comprise the consolidated statement of financial position as at 31st March, 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

We do not express an opinion on the consolidated financial statements of the Group. Because of the potential interaction of the multiple uncertainties relating to going concern and their possible cumulative effect on the consolidated financial statements as described in the Basis for Disclaimer of Opinion section of our report, we have not been able to form an audit opinion on these consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR DISCLAIMER OF OPINION

As set out in note 3.1 to the consolidated financial statements, the Group is subject to legal claims in relation to sale and leaseback arrangements and debt dispute and such claims amounted to approximately Renminbi (“**RMB**”) 487,179,000 (equivalent to HK\$525,471,000) in aggregate as at 31st March, 2024. Under certain legal proceedings in relation to sale and leaseback arrangements and debt dispute, the Group has received property preservation orders to restrict the disposition of certain assets and the withdrawal of bank deposits since August 2022.

As at 31st March, 2024, the Group had an outstanding bank loan with a carrying amount of HK\$113,106,000 and outstanding lease liabilities arising from sale and leaseback arrangements of oil storage tanks with a carrying amount of HK\$261,161,000. Due to the property preservation orders received from the court, the Group has breached certain covenants of the bank loan and certain terms of the sale and leaseback contracts, thus the bank may request immediate repayment of the loan and the lessor may request immediate repayment of the remaining lease payments. Accordingly, the corresponding loan and lease liabilities have been classified as current liabilities as at 31st March, 2024.

Multiple uncertainties relating to going concern

The Group recorded net current liabilities of HK\$353,013,000 as at 31st March, 2024. The Group also reported a loss of approximately HK\$89,250,000 and had a net operating cash outflow of HK\$69,737,000 for the year ended 31st March, 2024.

These conditions, together with other matters disclosed in note 3.1 to the consolidated financial statements, indicate the existence of material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern and the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Group has taken plans and measures to mitigate its liquidity pressure and improve its financial position, which are set out in note 3.1 to the consolidated financial statements. The validity of the going concern assumptions on which the consolidated financial statements have been prepared depends on the outcome of these plans and measures, which are subject to multiple uncertainties, including: (i) successful negotiation with a bank for revising the loan covenants and not demanding immediate repayment of existing bank loan due to the breach of loan covenants as mentioned above; (ii) successful negotiation with the lessor for extension of the remaining sale and leaseback contracts of oil storage tanks; (iii) successfully defending the Group against civil complaints filed by the civil litigants; and (iv) successfully disposing of the Group's investment in an unlisted fund.

Should the Group fail to achieve the above-mentioned plans and measures, it might not be able to continue to operate as a going concern, and adjustments might have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively, or to recognise a liability for any contractual commitments that may have become onerous, where appropriate. The effects of these adjustments have not been reflected in the consolidated financial statements.

Given the execution of the above plans and measures by the Group are in progress and no written contractual agreements are available to the Group as at the date of the approval for issuance of the consolidated financial statements with details as set out in note 3.1 to the consolidated financial statements, and in view of the potential interaction of the multiple uncertainties relating to going concern and their possible cumulative effect on the consolidated financial statements, we are unable to form an opinion as to whether the going concern basis of preparation of the consolidated financial statements of the Group is appropriate and we disclaim our opinion on the consolidated financial statements of the Group in respect of year ended 31st March, 2024.

2. AUDITED CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP

The Company is required to set out or refer to in this Response 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 the year ended 31 March 2022 (the “**2022 Financial Statements**”); (ii) the audited consolidated financial statements of the Group for the year ended 31 March 2023 (the “**2023 Financial Statements**”); (iii) the audited consolidated financial statements of the Group for the year ended 31 March 2024 (the “**2024 Financial Statements**”); and (iv) the unaudited consolidated financial statements of the Group for the six months ended 30 September 2024 (the “**2024 Interim Financial Statements**”) and, together with the notes to the relevant published financial statements and significant accounting policies which are of major relevance to the appreciation of the above financial information.

The 2022 Financial Statements are set out on pages 80 to 187 of the annual report of the Company for the year ended 31 March 2022, which was published on 14 July 2022. The annual report of the Company for the year ended 31 March 2022 is posted on the websites of the Stock Exchange and the Company. Please also see below a direct link:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0714/2022071400103.pdf>

The 2023 Financial Statements are set out on pages 81 to 187 of the annual report of the Company for the year ended 31 March 2023, which was published on 19 July 2023. The annual report of the Company for the year ended 31 March 2023 is posted on the websites of the Stock Exchange and the Company. Please also see below a direct link:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0719/2023071900009.pdf>

The 2024 Financial Statements are set out on pages 79 to 167 of the annual report of the Company for the year ended 31 March 2024, which was published on 18 July 2024. The annual report of the Company for the year ended 31 March 2024 is posted on the websites of the Stock Exchange and the Company. Please also see below a direct link:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0718/2024071800007.pdf>

The 2024 Interim Financial Statements are set out on pages 4 to 36 of the interim report of the Company for the six months ended 30 September 2024, which was published on 16 December 2024. The interim report of the Company for the six months ended 30 September 2024 is posted on the websites of the Stock Exchange and the Company. Please also see below a direct link:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/1216/2024121600753.pdf>

3. MATERIAL CHANGE

Save as disclosed below and the Offer set out in this Response Document, the Directors confirm that there has been no material change in the financial or trading position or outlook of the Group since 31 March 2024, being the date to which the latest published audited financial statements of the Group were made up, and up to the Latest Practicable Date:

- (i) the Group recorded an unrealised fair value loss on financial instruments arising from its investment in AFC Mercury Fund of approximately HK\$27.7 million for the six months ended 30 September 2024, when compared to an unrealised gain of approximately HK\$135.8 million recorded for the financial year ended 31 March 2024;
- (ii) the Group recorded net gain on deconsolidation of its subsidiary, Cupral Group Ltd. of approximately HK\$16.2 million for the six months ended 30 September 2024, and loss of the discontinued operation of Cupral Group Ltd. decreased to approximately HK\$1.0 million for the six months ended 30 September 2024 when compared to approximately HK\$32.8 million for the financial year ended 31 March 2024, which was mainly attributable to Cupral Group Ltd. filed a notice of appointment of administrators in the United Kingdom pursuant to the Insolvency Act 1986 of the United Kingdom on 9 April 2024 and the Group was deemed to have lost control over Cupral Group Ltd thereafter;
- (iii) the total fair value of financial assets at fair value through profit and loss decreased to approximately HK\$203.0 million as at 30 September 2024 from approximately HK\$230.7 million as at 31 March 2024, which was mainly attributable to the loss recorded in fair value in respect of financial assets held by the Group for the six months ended 30 September 2024; and
- (iv) the trade and other payables and borrowings of the Group substantially decreased to approximately HK\$210.0 million as at 30 September 2024 from approximately HK\$250.4 million as at 31 March 2024, which was mainly attributable to deconsolidation of its subsidiary, Cupral Group Ltd. of its creditors including the loan obtained solely for purchasing plant and equipment for the business operations of Cupral.

4. INDEBTEDNESS STATEMENT OF THE GROUP

Bank borrowings

As at 28 February 2025, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Response Document, the Group had total outstanding indebtedness of bank borrowings in the amount of approximately HK\$111,795,000.

Guarantees

As at 28 February 2025, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Response Document, Thousand Vantage and 上海鑑宸實業發展有限公司 (Shanghai Jianchen Industrial Development Co., Ltd*) (“**Shanghai Jianchen**”) (the minority shareholder of Guangming) had provided guarantee to secure bank loans of approximately to HK\$111,795,000.

Pledge of assets

As at 28 February 2025, the Group’s total bank loans of approximately HK\$111,795,000 are secured. The security provided for the secured banking facilities available to the Group are as follows:

- (i) legal charges over certain land and sea use rights with an aggregate net book value of approximately HK\$15,534,000;
- (ii) 75% equity interest in Guangming owned by Thousand Vantage; and
- (iii) 25% equity interest in Guangming owned by Shanghai Jianchen.

Lease liabilities

As at 28 February 2025, the Group had lease liabilities of approximately HK\$367,411,000 (which represented lease liabilities for oil tanks under finance lease, office leases and sea use rights), of which approximately HK\$365,715,000 were due within one year and approximately HK\$1,696,000 were due after one year.

Contingent liabilities

As at 28th February 2025, the material litigations that the Group has been involved are set out in the section headed “7. Material Litigation” in Appendix II to this Response Document.

* for identification purpose only

Litigations in relation to sale and leaseback arrangements

The Group is involved in certain disputes over the sale and leaseback arrangements with Lianwei (Shanghai) Finance Lease Limited* (聯蔚(上海)融資租賃有限公司) (“**Lianwei**”) as disclosed in item (c), (d) and (i) in the section headed “7. Material Litigation” in Appendix II to this Response Document.

In view of the civil complaints filed by Lianwei, the relevant lease liabilities are classified as current liabilities as at 28 February 2025. However, based on the advice from the PRC legal advisers, the Board considers that the Group is not probable to be legally liable to immediately pay the remaining lease payments of HK\$263,442,000, and late charges, accrued interests and other litigation costs of HK\$154,970,000 as at 28 February 2025.

Litigation in relation to debt dispute

As regards item (h) as disclosed in the section headed “7. Material Litigation” in Appendix II to this Response Document, the Board considers that the Civil Litigant had only entered into loan agreements with the Individual and had only provided loans to the Individual and not to Guangming. The Individual is not a director nor the legal representative of Guangming or Guangming’s subsidiaries, and no evidence has been provided by the Civil Litigant to show that such loan amounts were used in the production operations of Guangming. Based on the advice from the PRC legal advisers, the Board considers that it is not probable that the Group will be legally liable to aforesaid loans principal, late default payment and the other related litigation costs.

Arbitration

In respect of item (e) as disclosed in the section headed “7. Material Litigation” in Appendix II to this Response Document, based on the advice from the PRC legal advisers, the Board considers that it is not probable that the Group will be legally liable to aforesaid construction fee, progress payment interest and settlement payment interest and the other related litigation costs.

Save as aforesaid or otherwise disclosed herein, as at the close of business on 28 February 2025, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Response Document, the Group did not have any loan capital issued and outstanding, or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchase commitments, guarantees or contingent liabilities.

* for identification purpose only

5. FINANCIAL AND TRADING PROSPECT OF THE GROUP

Looking forward, the global economic environment is expected to remain highly volatile amidst ongoing geopolitical uncertainties, inflationary pressures, and the risk of a global economic downturn, in particular US-China trade tensions and uncertainties following the US elections. Future interest rates of central banks will be closely watched as they navigate the delicate balance between controlling inflation and supporting growth. The Chinese government launched various policies to stimulate property market and boost the economy in September 2024, including the reform to increase new quality productive force, though their effectiveness in stabilizing the region's economy remains uncertain due to domestic challenges such as weak consumer demand, liquidity concerns within the property sector, coupled with heightened volatility in financial markets and weak investor sentiment. During the year ended 31 March 2025, the Group saw continued stable activities in the oil port and storage operations of the Group. The Directors believe that nearby infrastructure construction projects within Guangxi region may boost local fuel demand which could contribute to generate revenue for the Group. The Group will continue to explore possible funding to commence construction of a new berth to maximize throughput utilization of our Group's oil storage tanks. In line with President Xi's introduction of new quality productive force, the management is looking for new methods and technologies to improve productivity, increase our petrochemical sales and provide better and more efficient services for our oil storage business customers.

During the year ended 31 March 2025, the Group continued to generate revenue from sales of petrochemical commodities. The management has taken a more prudent approach to control the risk of this segment, where margins have been volatile due to external factors such as the Russian/Ukraine war, while cost of capital brought on by the high interest rates. Moving forward, the management will closely monitor the global economic and interest rates outlook before increasing exposure towards the trading business. Business at the Group's investment bank in Mauritius has seen an increase in revenue and strengthened business activities on the island state. The Group will strive to increase revenue contribution and will continue to explore on further expansion opportunities for the business. In light of the above, the Group anticipates further challenges and uncertainties for our business in 2025. In alignment with government policy guidance and industry development trends, the Group will continue to adopt prudent measures and implement various strategies to mitigate the adverse impact of market environment challenges on its business while closely monitoring the market environment. Specifically, the Group will continue to reinforce the development of the existing business segments by widening its product scope, range of services and customer base, while also seeking for new business opportunities to diversify its business development into new potential business lines, whether through trading, retail or otherwise. In line with the dissolution of the Group's subsidiary in the United Kingdom, Cupral Group Ltd., the Group will continue to look for opportunities to dispose of assets where necessary. After all, the Directors have noted the shift of global economic trends and are studying various opportunities that may benefit the Group and its shareholders as a whole.

1. RESPONSIBILITY STATEMENT

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Response Document and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Response Document have been arrived at after due and careful consideration and there are no other facts not contained in this Response Document, the omission of which would make any statement in this Response Document misleading.

2. SHARE CAPITAL

As at the Latest Practicable Date, the authorised share capital and the issued share capital of the Company were as follows:

<i>Authorised share capital:</i>		<i>HK\$</i>
10,280,000,000	Ordinary Shares of HK\$0.1 each	1,028,000,000
<i>Issued and paid-up share capital:</i>		
302,742,424	Ordinary Shares of HK\$0.1 each	30,274,242.4

Save as disclosed above, as at the Latest Practicable Date, the Company had no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code).

All the Shares in issue are fully paid up and rank *pari passu* in all respects among themselves, including all rights in respect of dividends, voting and interest in capital. The Shares are listed on the Main Board of the Stock Exchange and none of the securities of the Company are listed or dealt in on any other stock exchange and no such listing or permission to deal is being or is proposed to be sought.

The number of Shares in issue as at 31 March 2024, being the date to which the latest audited consolidated financial statements of the Group were made up to, was 302,742,424 Shares (taking into account the consolidation of the Shares which took effect on 11 December 2024). Since 31 March 2024 (being the date on which its latest published audited accounts were prepared) and up to and including the Latest Practicable Date, no Shares have been issued by the Company.

Save as disclosed above, since 31 March 2024 and up to the Latest Practicable Date:

- (a) the Company had not issued any Shares, options, warrants or conversion rights affecting Shares (including any derivatives or other securities which may confer rights to the holders thereof to subscribe for, convert or exchange into Shares) and had not entered into any agreement for the issue of any of such securities; and
- (b) no Shares had been issued or bought back by the Company or any of its subsidiaries.

3. DISCLOSURE OF INTERESTS

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

As at the Latest Practicable Date, the interests of the Directors and chief executive of the Company in Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (i) 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 (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules to be notified to the Company and the Stock Exchange; or (iv) to be disclosed in this Response Document pursuant to the Takeovers Code, were as follows:

Name of director	Capacity/Nature of interest	Number of Shares/ underlying Shares held <i>(Note 1)</i>	Approximate percentage of shareholding <i>(Note 3)</i>
Mr. Ching Man Chun,	Beneficial owner	15,000,000 (L)	4.95
Louis (“ Mr. Ching ”) <i>(Note 2)</i>	Interest of controlled corporation	137,958,095 (L)	45.57

Notes:

- The letter “L” denotes long position in the Shares or underlying Shares.
- Champion Choice Holdings Limited (“**Champion Choice**”), which is the holder of 73,200,000 Shares, is wholly-owned by Mr. Ching. Accordingly, The Offeror had received valid acceptances in respect of a total of 64,758,095 Offer Shares as at the Latest Practicable Date. Mr. Ching is deemed to be interested in 73,200,000 Shares held by Champion Choice and 64,758,095 Offer Shares in respect of which valid acceptances have been received by the Offeror as at the Latest Practicable Date under the SFO.
- The percentage of shareholding is calculated on the basis of 302,742,424 Shares in issue as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interest and short positions in Shares, underlying Shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions in which they were deemed or taken to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange, or which were required to be disclosed in this Response Document pursuant to the Takeovers Code.

(b) Interests of substantial Shareholders

As at the Latest Practicable Date, the interests and short positions of Shareholders (not being Directors or the chief executive of the Company) in the Shares and underlying Shares which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and Takeovers Code and required to be entered in the register maintained by the Company pursuant to section 336 of the SFO were as follows:

Name	Capacity/Nature of interest	Number of Shares held <i>(Note 1)</i>	Approximate percentage of shareholding <i>(Note 3)</i>
Mr. Zhu Bin (“ Mr. Zhu ”) <i>(Note 2)</i>	Beneficial owner Interest of controlled corporation	31,288,276 (L) 234,000 (L)	10.34% 0.07%
Champion Choice <i>(Note 3)</i>	Beneficial owner	73,200,000 (L)	24.18%
The Offeror <i>(Note 4)</i>	Beneficial owner	64,758,095 (L)	21.39%

Notes:

1. The letter “L” denotes long position in the Shares or underlying Shares.
2. Based on the disclosure of interest filing made by Mr. Zhu, it appears that such Shareholder and one company wholly owned by such Shareholder (namely One Perfect Group Ltd) are interested in an aggregate of 31,522,276 Shares. As at the date of this Response Document, Mr. Zhu holds approximately 35% of the issued share capital of Thousand Vantage and being one of the directors of Thousand Vantage.
3. Champion Choice is wholly-owned by Mr. Ching.
4. The Offeror is wholly-owned by Mr. Ching.
5. The percentage of shareholding is calculated on the basis of 302,742,424 Shares in issue as at the Latest Practicable Date.

Save as disclosed above, so far as is known to the Directors, as at the Latest Practicable Date, there was no other person who had an interest or short position in Shares and underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

(c) Interests in the Offeror

As at the Latest Practicable Date, save for Mr. Ching owned the entire issued share capital of the Offeror, none of the Company nor any of its Directors had any interest in the shares, convertible securities, warrants, options or derivatives in respect of the shares of the Offeror.

(d) Other Interests

As at the Latest Practicable Date, save as disclosed in sections 2(a) to (b) above:

- (a) the Directors did not have any interest in the Shares, derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into the Shares;
- (b) none of a subsidiary of the Company, a pension fund of the Group, or a person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of acting in concert or 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 any Shares or any other convertible securities, warrants, options or derivatives in respect of Shares;
- (c) there was no arrangement of the kind referred to in Note 8 to Rule 22 of the Takeover Codes between any person and the Company or with any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of acting in concert or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of associate under the Takeover Codes;
- (d) no Shares or any convertible securities, warrants, options or derivatives in respect of Shares were managed on a discretionary basis by fund managers connected with Company; and
- (e) none of the Company or any Directors had borrowed or lent any Shares or any other convertible securities, warrants, options or derivatives in respect of the Shares.

4. DISCLOSURE OF INTERESTS AND DEALINGS

During the Relevant Period, (i) none of the Directors have dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares; and (ii) none of the Directors and the Company have dealt for value in any shares of the Offeror or any convertible securities, warrants, options or derivatives in respect of the shares of the Offeror.

During the Offer Period and ending on the Latest Practicable Date:

- (i) none of a subsidiary of the Company, a pension fund of the Group, or a person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of acting in concert or 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, had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares;
- (ii) no person who had an arrangement referred to in Note 8 to Rule 22 of the Takeover Codes 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) and (5) of the definition of acting in concert or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of associate under the Takeovers Code, had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares;
- (iii) no fund manager connected with the Company, who manages funds on a discretionary basis, had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares; and
- (iv) there was no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (a) any Shareholder on the one hand; (b)(i) the Company, its subsidiaries or associated companies; and (b)(ii) the Offeror and the Offeror Concert Parties on the other hand.

5. DIRECTORS' SERVICE CONTRACTS

Details of the Directors' service contract and letter of appointment are set out below:

Name of the Director under contract	Name of the entity of the Group entering into the contract	Date of commencement	Expiry date of the contract	Position	Term of service	Amount of remuneration payable under service contract	Amount of variable remuneration payable under the service contract
Ms. Wong Man Ming Melinda ("Ms. Wong")	The Company	26 February 2025	N/A	Executive Director	Ms. Wong is not appointed for any specific length of service and her term of service shall continue unless and until terminated by either party giving to the other party two months' prior notice or payment in lieu of notice	Ms. Wong is entitled to receive (a) a director's fee of HK\$10,000 per annum	Nil
Ms. Wong	PT Investment Corporation Limited, a wholly-owned subsidiary of the Company	26 February 2025	N/A	Executive and under the letter of appointment, she agreed to serve as Chief Operating Officer of Muhabura Capital Limited, a wholly-owned subsidiary of the Company and the title of the position taken up by her is Head of Operations of Muhabura Capital Limited	Ms. Wong is not appointed for any specific length of service and her term of service shall continue unless and until terminated by either party giving to the other party two months' prior notice or payment in lieu of notice	Ms. Wong is entitled to receive a basic salary of HK\$65,000 per month and the 13th-month payment for each full year of service	Nil

Note: Ms. Wong was redesignated from non-executive Director to executive Director on 26 February 2025. Prior to the re-designation, Ms. Wong entered into a letter of appointment with the Company on 13 October 2023 when she was appointed as a non-executive Director on 13 October 2023 under which she was appointed for a term of twelve-month period which would automatically renew for successive twelve-month periods unless terminated by either party in writing prior to the expiry of the term. She was entitled to receive a Director's fee of HK\$240,000 per annum. There was no variable remuneration payable under the letter of appointment.

Save as disclosed above, the Company or any of its subsidiaries or associates had not entered into service contracts with the Directors (i) which (including both continuous and fixed term contracts) has been entered into or amended within 6 months prior to the commencement of the Offer Period; (ii) which is a continuous contract with a notice period of 12 months or more; or (iii) which is a fixed term contract with more than 12 months to run irrespective of the notice period as at the Latest Practicable Date.

6. EXPERT AND CONSENT

The following is the name and qualification of the professional adviser whose letter, opinions or advice are contained or referred to in this Response Document:

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

The Independent Financial Adviser has given and has not withdrawn its written consent to the issue of this Response Document with the inclusion of its letters, recommendation or opinions and the references to its name included herein in the form and context in which it appears.

As at the Latest Practicable Date, the Independent Financial Adviser was not beneficially interested in the share capital of any member of the Group; nor did it have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

7. MATERIAL LITIGATION

Save as disclosed below, as at the Latest Practicable Date, none of the members of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group:

- (a) On 30 April 2025, the Company received a petition filed by Mr. Zhu in the High Court of the Hong Kong Special Administrative Region (the “**Court**”) against Mr. Ching, the sole owner and director of the Offeror, the executive Director and chairman of the Board and the Company (as the necessary party of the proceedings) on the basis that the affairs of the Company have been allegedly conducted, *inter alia*, in the following oppressive and unfairly prejudicial manner: (i) it is alleged by Mr. Zhu that given the impairment losses on property, plant and equipment and right-of-use assets were not recorded in the financial statements in the PRC of a non-wholly-owned PRC subsidiary of Thousand Vantage, there is a material inconsistency in the consolidated financial statements of the Company and Thousand Vantage in Hong Kong in that the said impairment losses of the property, plant and equipment and right-of-use assets were approved to be recorded therein; (ii) by reason of the matters stated in (i), Mr. Zhu alleges that the Board disclosed false and/or misleading information (whether as to a material fact, or through the omission of a material fact) in the Joint Announcement; (iii) Mr. Zhu’s allegations that there is an inconsistent statement of intention made by

Mr. Ching as to the existing business of the Group; and (iv) Mr. Zhu's contention that the Board and Mr. Ching had failed to refer to the development and impact of the winding-up petition (the details of which are set out in sub-paragraph (f) below) in relation to Thousand Vantage in the Joint Announcement and the Offer Document. Premised on the above, Mr. Zhu sought *inter alia* an order that Mr. Ching do purchase Mr. Zhu's Shares in the Company at a price to be determined by the Court. It is particularly noted that no injunctive relief is sought in respect of the Offer, and no relief is sought against the Company whatsoever. For details of (i) the shareholding of Mr. Zhu in the Company, please refer to the section headed "3. DISCLOSURE OF INTERESTS – (b) Interests of substantial Shareholders" in this Appendix; and (ii) the petition, please refer to the joint announcement issued by the Company and the Offeror dated 13 May 2025. The petition is appointed to be heard on 13 June 2025.

The auditor of the Company, Deloitte Touche Tohmatsu, was engaged as the auditor of the Company and Thousand Vantage for the year ended 31 March 2024. The statutory audit of the said PRC subsidiary of Thousand Vantage was conducted by the local PRC auditor, Guangxi Xinming Certified Public Accountants Co., Ltd. As confirmed by the auditor of the Company, it did not rely on the work performed by the local PRC auditor and its engagement was to perform an audit of the Group's consolidated financial statements and the statutory financial statements of Thousand Vantage in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants, and express an opinion on the Group's consolidated financial statements and Thousand Vantage's consolidated financial statements.

- (b) On 3 October 2024, PT OBOR Financial Holdings Limited ("PT OBOR"), being the subscriber to the subscription (the "**Subscription**") of 65% equity interest in Thousand Vantage, commenced legal proceedings against Mr. Zhu, who was the sole legal and beneficial owner of Thousand Vantage before completion of the Subscription and the guarantor under the subscription agreement dated 29 March 2021 entered into among PT OBOR as subscriber, Thousand Vantage as target company and Mr. Zhu as guarantor in relation to the Subscription, on the grounds of, among others, deceit/fraudulent misrepresentation and breach of warranties. PT OBOR is a wholly-owned subsidiary of the Company and Thousand Vantage is an indirect non-wholly-owned subsidiary of the Company and owned as to approximately 65% by PT OBOR and approximately 35% by Mr. Zhu. Please refer to the announcements of the Company dated 29 March 2021, 11 October 2021, and 10 October 2024 and the circular of the Company dated 17 September 2021. As at the Latest Practicable Date, the legal proceedings were still ongoing and the case was still pending trial, the date of which had not been fixed.

- (c) In 2025, Guangming, an indirect non-wholly-owned subsidiary of the Company, received a recommenced civil complaint filed with the Shanghai Pudong New Area People’s Court against it in respect of the dispute over the sale and leaseback contracts of one oil storage tank (which was originally commenced in October 2022). Under the civil complaint, Lianwei has requested the court to order: (i) Guangming to pay to Lianwei the damages in the amount of RMB52,800,100 and the late default payment accrued thereon from 10 October 2022, until payment at the daily rate of 0.05%; (ii) Guangming to pay to Lianwei RMB250,000, being the reasonable expenses incurred for exercising the right of relief; and (iii) Guangming to bear the costs. Please refer to the announcement of the Company dated 28 October 2022 for details. As at the Latest Practicable Date, the legal proceedings were still ongoing, the trial was conducted on 20 May 2025 together with the three recommenced civil complaints set out in sub-paragraph (d) below and no judgment had been handed down by the court.
- (d) In July 2024, Guangming, received three recommenced civil complaints filed with the Shanghai Pudong New Area People’s Court by Lianwei against it in respect of the disputes over the sale and leaseback contracts of three oil storage tanks (which were originally commenced in May 2023). Under the three civil complaints, Lianwei has requested the court to order: (i) Guangming to pay to Lianwei the damages in the amounts of RMB58,464,880, RMB58,849,660 and RMB58,849,660 respectively and the late default payments accrued thereon from 29 October 2022, 8 November 2022 and 8 November 2022 respectively, until payment at the daily rate of 0.05%; (ii) Guangming to pay to Lianwei RMB160,000, RMB160,000 and RMB160,000 respectively, being the reasonable expenses incurred for exercising the right of relief; and (iii) Guangming to bear the costs. Please refer to the announcements of the Company dated 17 July 2024 and 5 May 2023 for details. The trial was conducted on 16 January 2025 and continued on 20 May 2025 and as at the Latest Practicable Date, no judgement had been handed down by the court.
- (e) In April 2024, Jiangsu Hong Mao Storage Company Limited* (江蘇宏貿倉儲有限公司) (“**Jiangsu Hong Mao**”), an indirect non-wholly-owned subsidiary of the Company, received an arbitration notice in respect of an application for arbitration filed by China Construction Third Engineering Bureau Third Construction Engineering Company Limited* (中建三局第三建設工程有限責任公司) (“**CCTE**”) against Jiangsu Hong Mao in respect of the dispute over a construction contract for a liquid chemicals storage and logistics project (the “**Project**”) which was suspended in 2017. Under the application for arbitration, CCTE has claimed for the followings: (i) Jiangsu Hong Mao shall pay the construction fee of RMB15,901,400 to CCTE; (ii) Jiangsu Hong Mao shall pay to CCTE the progress payment interest of RMB241,178.09 and settlement payment interest accrued on the outstanding settlement payment at the loan prime rate announced by the National Interbank Funding Center from the date of commencement of the application for the arbitration to the actual repayment date; (iii) to the extent of the amount of the outstanding construction fee, CCTE shall have the priority right to be repaid from the appraised or auction price of the Project; and (iv) Jiangsu Hong Mao shall pay the legal costs and other miscellaneous costs relating to the arbitration to CCTE. Please refer to the announcement of the Company dated 23 April 2024 for details. As at the Latest Practicable Date, the arbitration process was still ongoing and no hearing date had been fixed.

* for identification purpose only

- (f) In December 2023, Mr. Zhu filed a petition in the High Court of the Hong Kong Special Administrative Region against Thousand Vantage, PT OBOR and HK United Investment Holdings Limited (a wholly-owned subsidiary of the Company) for (1) an order that Thousand Vantage be wound up under section 177(1)(f) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong); (2) alternatively, an order that Mr. Zhu do purchase PT OBOR's and HK United's shares in Thousand Vantage at a price to be determined by the Court in such manner as it shall think fit; (3) such further or other relief and all necessary and consequential directions as the court may think fit; and (4) costs. Please refer to the announcement of the Company dated 18 December 2023 for details. As at the Latest Practicable Date, the legal proceedings were still ongoing and the case was still pending further trial in November 2025.
- (g) In October 2021, Thousand Vantage commenced legal proceedings against Mr. Zhu and Hongze Global Logistic Holding Pte. Ltd (“**HGL**”), a 80% shareholder of Lianwei. Mr. Zhu owed Thousand Vantage a sum of HK\$47,855,000 (the “**Loan**”) which is repayable on demand. In or around April 2021, Mr. Zhu and Thousand Vantage entered into an oral compromise agreement under which Mr. Zhu would settle his previous debts and dealings with Thousand Vantage, pursuant to the terms of a compromise agreement (the “**Compromise Agreement**”). Under the Compromise Agreement, HK\$42,000,000 (the “**Debt**”) out of the Loan will be settled by Mr. Zhu by way of offsetting against Mr. Zhu's intended payment of its RMB equivalent (i.e. around RMB35 million) on behalf of Guangming for leasing payments due and owing by Guangming, which is owned as to 75% by Thousand Vantage, to Lian Wei (the “**Leasing Payments**”). For convenience sake, it was further agreed between Thousand Vantage and Mr. Zhu that the Leasing Payments would be settled by firstly Mr. Zhu arranging the funds and depositing the same to the account of Thousand Vantage and Thousand Vantage would then on behalf of Guangming pay to HGL, who would be receiving the same on behalf of Lian Wei. On or around 21 April 2021, pursuant to the Compromise Agreement and to implement the payment arrangement agreed as set out above, Thousand Vantage entered into a Payment Instructions and Acceptance Agreement (the “**Payment Instructions Agreement**”), with Guangming, HGL and Lian Wei. In accordance with the Payment Instructions Agreement, (i) Mr. Zhu transferred HK\$40,000,000 to the account of Thousand Vantage on 15 April 2021; and (ii) Mr. Zhu caused Thousand Vantage to transfer HK\$40,000,000 to the account of HGL on 22 April 2022 (the “**Partial Payment**”). The Partial Payment had never reached Lian Wei and/or Lian Wei refused to confirm the Leasing Payments were settled or discharged. Accordingly, HGL held the Partial Payment on constructive trust for Thousand Vantage when HGL retained the said sum since its receipt on 22 April 2022. Despite repeated requests, Mr. Zhu failed to pay HK\$42,000,000 (or its RMB equivalent) to Lian Wei pursuant to the Payment Instructions Agreement, which in turn amounts to a repudiatory breach of the Compromise Agreement. Thousand Vantage claims against Mr. Zhu and HGL in respect of the Partial Payment and the Debt. Please refer to the announcement of the Company dated 10 February 2023 for details. As at the Latest Practicable Date, the legal proceedings were still ongoing and the case was still pending trial, the date of which had not been fixed.

- (h) In July 2022, Guangming and Guangming's subsidiaries, and an individual (the "Individual"), received a civil complaint filed by a civil litigant (the "Civil Litigant") in respect of the dispute over loans provided to the Individual. The Individual is not a director nor the legal representative of Guangming or the Guangming's subsidiaries. Under the civil complaint, the Civil Litigant has requested the court to order Guangming and the Individual jointly to pay to the Civil Litigant the principal debt amount of RMB110,658,000, default payment thereon (which was RMB31,373,000 as at 30 September 2024 and will further accrue at the rate of 20% above the one-year loan market rate until full repayment) and other related litigation costs. Please refer to the announcement of the Company dated 28 October 2022 for details. As at the Latest Practicable Date, the legal proceedings were still ongoing and the case was still pending further trial to be conducted on 11 June 2025.
- (i) In June 2022, Guangming received a civil complaint filed by Lianwei in respect of a dispute over the sale and leaseback arrangement of one oil storage tank. Under the civil complaint, Lianwei requested the court to order Guangming to pay the due and unpaid rent of RMB35,500,000, default payments thereon (which was RMB19,219,000 as at 30 September 2024 and will further accrue at the rate of 20% per annum until actual repayment) and other related litigation costs of RMB544,000. Please refer to the announcement of the Company dated 28 June 2022 for details. As at the Latest Practicable Date, the civil complaint had been withdrawn by Lianwei due to time factor and had not been recommenced by Lianwei.

8. MATERIAL CONTRACT

Save as disclosed below, the Group had not entered into any material contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Group) after the date falling two years immediately preceding the commencement of the Offer Period, and up to and including the Latest Practicable Date:

- (a) The lease renewal agreement dated 10 April 2025 and entered into between Pointpiper Investment Limited as landlord and PT Investment Corporation Limited, a wholly-owned subsidiary of the Company, in respect of the lease of 11/F, Centre Point, 181-185 Gloucester Road, Wanchai, Hong Kong for a monthly rent of HK\$157,200.

9. MISCELLANEOUS

- (a) As at the Latest Practicable Date, none of the existing Directors had been or would be given any benefit as compensation for loss of office or otherwise in connection with the Offer.
- (b) As at the Latest Practicable Date, there was no agreement or arrangement between any Director and any other person which is conditional on or dependent upon the outcome of the Offer or otherwise connected with the Offer.
- (c) As at the Latest Practicable, save for Mr. Ching being the sole director and sole shareholder of the Offeror, there was no material contract entered into by the Offeror in which any Director has a material personal interest.

- (d) The registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and the principal office of the Company in Hong Kong is situated at 11th Floor, Centre Point, 181-185 Gloucester Road, Wanchai, Hong Kong.
- (e) 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.
- (f) The principal place of business of the Independent Financial Adviser is Room 2701, 27/F., Tower One, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong.
- (g) The English language text of this Response Document shall prevail over the Chinese language text.

10. DOCUMENTS ON DISPLAY

Copies of the following documents will be put on display on the website of the SFC (www.sfc.hk), the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.ptcorp.com.hk) from the date of this Response Document up to and including the Closing Date:

- (a) the amended and restated bye-laws of the Company;
- (b) the annual reports of the Company for the two years ended 31 March 2023 and 2024;
- (c) the interim report of the Company for the six months ended 30 September 2024;
- (d) the letter from the Board, the text of which is set out on pages 5 to 10 of this Response Document;
- (e) the letter from the Independent Board Committee, the text of which is set out on pages 11 to 12 of this Response Document;
- (f) the letter from the Independent Financial Adviser, the text of which is set out on pages 13 to 47 of this Response Document;
- (g) the service contract and letter of appointment referred to under the paragraph headed "5. Directors' Service Contracts" in this Appendix;
- (h) the letter of consent referred to under the paragraph headed "7. Expert and consent" in this Appendix; and
- (i) the material contract referred to under the paragraph headed "9. Material contract" in this Appendix.