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**Beijing Tong Ren Tang (Cayman) Limited**  
(Incorporated in the Cayman Islands with limited liability)

**CLSA Premium Limited**  
(Incorporated in the Cayman Islands with limited liability)  
(Stock Code: 6877)

**JOINT ANNOUNCEMENT  
(1) THE SHARE TRANSFER AGREEMENT  
IN RELATION TO THE TRANSFER OF THE SALE SHARES IN  
CLSA PREMIUM LIMITED;  
AND  
(2) UNCONDITIONAL MANDATORY CASH OFFER BY  
SHANGGU SECURITIES LIMITED FOR AND ON BEHALF OF  
BEIJING TONG REN TANG (CAYMAN) LIMITED FOR  
ALL THE SHARES IN CLSA PREMIUM LIMITED  
(OTHER THAN THOSE SHARES ALREADY OWNED BY OR  
AGREED TO BE ACQUIRED BY  
BEIJING TONG REN TANG (CAYMAN) LIMITED  
AND/OR PARTIES ACTING IN CONCERT WITH IT)**

**Financial Adviser to the Offeror in relation to the Offer**



**上古證券有限公司**  
Shanggu Securities Limited

**Financial Advisers to the Company**



**CITIC  
SECURITIES**

**ODYSSEUS**  
CAPITAL ASIA LIMITED  
奧漸資本亞洲有限公司

## THE TRANSFER

The Board was informed by the Offeror that on 18 February 2025, the Offeror and the Vendor entered into the Share Transfer Agreement, pursuant to which the Vendor conditionally agreed to transfer and the Offeror conditionally agreed to acquire 813,316,000 Shares, representing 40% of the total issued share capital of the Company as at the date of this joint announcement, for a total consideration of HK\$97,994,000 (equivalent to approximately HK\$0.1205 per Sale Share), which shall be paid in the following manner:

- (a) the Completion Payment, being not less than 30% of the Consideration, i.e. HK\$29,398,200, shall be paid to the Vendor on the Completion Date; and
- (b) the Deferred Payment, being HK\$68,595,800 (i.e. the balance of the Consideration after deducting the Completion Payment), shall be paid to the Vendor within six months after the effective date of the Share Transfer Agreement.

The Offeror shall execute the Share Charge in favour of the Vendor to secure its payment of the Deferred Payment and pay Interest to the Vendor for the period from the Completion Date to the date on which the Deferred Payment is fully settled.

Immediately upon Completion, the Vendor continues to hold the Retained Shares (i.e. 386,994,001 Shares), representing approximately 19.03% of the issued share capital of the Company as at the date of this joint announcement. Due to the Deferred Payment which will be settled after Completion and the Share Charge, the Vendor is presumed to be acting in concert with the Offeror under Class (9) of the definition of “acting in concert” under the Takeovers Code until the full settlement of the Deferred Payment by the Offeror. The Offeror does not expect to make early repayment of the Deferred Payment prior to the close of the Offer.

Completion took place on 18 February 2025, and the Completion Payment was paid by the Offeror with its internal financial resources on the same date. For the avoidance of doubt, without prejudice to the right of the Vendor to receive the Deferred Payment and the Interest, the Completion occurs upon the completion of the transfer of the Sale Shares and the settlement of the Completion Payment and is not subject to the Deferred Payment having been paid.

## UNCONDITIONAL MANDATORY CASH OFFER

Immediately prior to Completion, none of the Offeror nor the parties acting in concert with it (excluding the Vendor) was interested in any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code).

Immediately after Completion and as at the date of this joint announcement, the Offeror and parties acting in concert with it (including the Vendor) are interested in 1,200,310,001 Shares, representing approximately 59.03% of the total issued share capital of the Company.

Pursuant to Rule 26.1 of the Takeovers Code, immediately following Completion, the Offeror is required to make an unconditional mandatory cash offer for all the issued Shares (other than those Shares already owned or agreed to be acquired by the Offeror and the parties acting in concert with it (including the Vendor)).

Shanggu will, for and on behalf of the Offeror and in compliance with the Takeovers Code, make the Offer to acquire all the Offer Shares on the following terms:

**For each Offer Share. . . . . HK\$0.1229**

The Offer Price of HK\$0.1229 per Offer Share is equivalent to the Sale Price payable by the Offeror together with the Interest accruing on the Deferred Payment for a period of six months from the Completion Date divided by the number of the Sale Shares, i.e. 813,316,000 Shares.

**The Offeror will not increase the Offer Price as set out above. Shareholders and potential investors should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Offer Price and the Offeror does not reserve the right to increase the Offer Price.**

Principal terms of the Offer are set out in the section headed “Unconditional Mandatory Cash Offer” below in this joint announcement.

## **VALUE OF THE OFFER**

As at the date of this joint announcement, the total issued Shares of the Company is 2,033,290,000 Shares. Based on the Offer Price of HK\$0.1229 per Offer Share and the 2,033,290,000 Shares in issue, the entire issued share capital of the Company is valued at HK\$249,891,341.

Assuming that there is no change in the issued share capital of the Company and as the Offeror and the parties acting in concert with it (including the Vendor) are interested in an aggregate of 1,200,310,001 Shares immediately after Completion, 832,979,999 Shares will be subject to the Offer. Assuming full acceptance of the Offer and based on the Offer Price of HK\$0.1229 per Offer Share, the value of the Offer is approximately HK\$102,373,241.88.

## **CONFIRMATION OF FINANCIAL RESOURCES**

As noted above, assuming full acceptance of the Offer and based on the Offer Price of HK\$0.1229 per Offer Share, the value of the Offer is approximately HK\$102,373,241.88. The Offeror intends to finance the consideration payable under the Offer in full with its internal financial resources.

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

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

The Offeror intends to maintain the listing of the Shares on the Stock Exchange following the close of the Offer. Pursuant to the Listing Rules, if, at the closing of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the total issued Shares, are held by the public or if the Stock Exchange believes that: (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, then it will consider exercising its discretion to suspend dealings in the Shares until the prescribed level of public float is restored. In such circumstances, the respective directors of the Offeror and the Company will undertake to the Stock Exchange to take appropriate steps as soon as possible following the close of the Offer to ensure sufficient public float exists in the Shares after the close of the Offer.

## **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

Pursuant to Rule 2.1 of the Takeovers Code, the Independent Board Committee comprising the Independent Non-executive Directors who have no direct or indirect interest in the Offer, namely Mr. Wu Jianfeng and Ms. Hu Zhaoxia, has been established by the Company to advise the Independent Shareholders as to whether the Offer is fair and reasonable and as to the acceptance of the Offer.

Mr. Li Jiong and Mr. Xu Jianqiang, both Non-executive Directors of the Company, also concurrently serve as the chief treasury officer and the deputy head of the equity derivatives business line, respectively, of CITIC Securities Company Limited, the holding company of the Vendor. Mr. Ma Anyang, an Independent Non-Executive Director of the Company, is a director of certain wholly-owned subsidiaries of Beijing Tong Ren Tang Chinese Medicine Company Limited, the holding company of E-comm Offshore Holding Limited, which in turn is a shareholder of the Offeror. As such, Mr. Li Jiong, Mr. Xu Jianqiang and Mr. Ma Anyang are considered to have direct or indirect interests in the Offer by virtue of their respective relationship with the Vendor or the Offeror Group and as a result have not been appointed as members of the Independent Board Committee.

The Independent Financial Adviser will be appointed with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in respect of the Offer and, in particular, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer. A further announcement will be made upon the appointment of the Independent Financial Adviser.

## DESPATCH OF THE COMPOSITE DOCUMENT

Pursuant to Rule 8.2 of the Takeovers Code, the Offeror is required to despatch the Composite Document to the Shareholders no later than 21 days after the date of this joint announcement, or such later date as the Executive may approve in accordance with the Takeovers Code.

It is the intention of the Offeror and the Company to combine the offer document and the Company's board circular in the Composite Document. The Composite Document will contain, among others, (i) further details of the Offer; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Offer; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Offer; and (iv) the relevant form(s) of acceptance and transfer. Further announcement(s) will be made when the Composite Document is despatched.

## WARNING

**This joint announcement is made in compliance with the Takeovers Code for the purpose of, among other things, informing the Shareholders of the Offer to be made. Shareholders and potential investors of the Company should note that the Independent Board Committee has yet to consider and evaluate the Offer. The Directors make no recommendation as to the fairness or reasonableness of the terms of the Offer or as to the acceptance of the Offer in this joint announcement, and strongly recommend the Shareholders not to form a view on the Offer unless and until they have received and read the Composite Document, including the letter of recommendation of the Independent Board Committee and the letter of advice from the Independent Financial Adviser in respect of the Offer.**

**Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares. Those who are in doubt as to the action should consult a licensed securities dealer or registered institutions in securities, bank manager, solicitor, professional accountant or other professional advisers.**

### ***Notice to U.S. Investors***

*The Offer relates to the issued Shares of a company incorporated in the Cayman Islands and is being made by means of mandatory general offer provided for under the Takeovers Code.*

*A transaction effected by means of a mandatory general offer is not subject to the tender offer rules or the proxy solicitation rules under the US Securities Exchange Act of 1934 (together with the rules and regulations promulgated thereunder, the “US Exchange Act”). Accordingly, the Offer is subject to the disclosure requirements and practices applicable in Hong Kong to mandatory general offer which differ from the disclosure requirements of US tender offer and proxy solicitation rules. Consistent with Rule 14e-5 under the US Exchange Act, the Offeror, Shanggu (on behalf of the Offeror) and/or certain affiliated companies or nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, Shares outside such offer during the period in which such offer would remain open for acceptance. If such purchases or arrangements to purchase were to be made, they would be made outside the US either in the open market at prevailing prices or in private transactions at negotiated prices and would comply with applicable law, including, to the extent applicable, the US Exchange Act and the Takeovers Code. Any information about such purchases will be reported to the SFC in accordance with the requirements of the Takeovers Code and, to the extent required to be publicly disclosed under the Takeovers Code, will be available on the website of the SFC at <http://www.sfc.hk/> and the website of the Stock Exchange at <https://www.hkexnews.hk/>.*

*The receipt of cash pursuant to the Offer by a U.S. holder of securities of the Company may be a taxable transaction for U.S. federal income tax purposes and under applicable state and local, as well as foreign and other tax laws. Each holder of securities of the Company is urged to consult his/her/its independent professional adviser immediately regarding the tax consequences of the Offer.*

*U.S. Shareholders may encounter difficulty enforcing their rights and any claim arising out of the U.S. federal securities laws, as the Offeror and the Company are located in a country outside the United States, and some or all of their officers and directors may be residents of a country other than the United States. U.S. Shareholders may not be able to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of the U.S. securities laws. Further, U.S. Shareholders may encounter difficulty compelling a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgement.*

*Financial information disclosed in respect of the Offer has been or will have been prepared in accordance with non-U.S. accounting standards that may not be comparable to financial information of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.*

## THE TRANSFER

References are made to the announcements of the Company dated 29 December 2024, 14 January 2025 and 28 January 2025 in relation to the potential disposal of certain ordinary shares of the Company by the Vendor.

The Board was informed by the Offeror that on 18 February 2025, the Offeror and the Vendor entered into the Share Transfer Agreement, pursuant to which the Vendor conditionally agreed to transfer and the Offeror conditionally agreed to acquire 813,316,000 Shares, representing 40% of the total issued share capital of the Company as at the date of this joint announcement, for a total consideration of HK\$97,994,000 (equivalent to approximately HK\$0.1205 per Sale Share).

### The Share Transfer Agreement

- Date : 18 February 2025
- Parties : (i) the Vendor; and  
(ii) the Offeror
- Subject matter : 813,316,000 Shares, representing 40% of the total issued shares of the Company as at the date of this joint announcement. Pursuant to the terms of the Share Transfer Agreement, the Sale Shares will be acquired by the Offeror together with all rights and benefits attached and accrued to them on the Completion Date.
- Consideration of the Transfer and payment schedule : The total consideration for the Sale Shares is HK\$97,994,000, which shall be paid by two instalments in the manner as set out below:
- (i) The initial instalment, being not less than 30% of the Consideration, i.e. HK\$29,398,200 (the “**Completion Payment**”), shall be paid to the Vendor on the Completion Date.
  - (ii) The balance of the Consideration, being HK\$68,595,800, shall be paid to the Vendor within six months after the effective date of the Share Transfer Agreement (the “**Deferred Payment**”).

The Offeror shall execute the Share Charge in favour of the Vendor to secure its payment of the Deferred Payment and pay Interest to the Vendor for the period from the Completion Date to the date on which the Deferred Payment is fully settled.



The Consideration is equivalent to the minimum transfer price (based on the exchange rate of HK\$1:RMB0.92572 as quoted from the People's Bank of China on 26 December 2024) as quoted by the Vendor on the Shanghai United Assets and Equity Exchange Co., Ltd.. For details, please refer to the announcement of the Company dated 29 December 2024.

Conditions

- : Completion is conditional on the following Conditions being and remaining satisfied or waived (except for condition (a) below which could not be waived):
- (a) the Stock Exchange (where necessary) and the Executive confirming in writing that they have no further comment on the draft of this joint announcement pursuant to Rule 3.5 of the Takeovers Code, and all necessary regulatory approval having been obtained;
  - (b) the Offeror having duly authorized and executed a Share Charge (in the form and substance to the satisfaction of the Vendor) with the Vendor as the beneficiary;
  - (c) the Shares remaining listed and traded on the Main Board of the Stock Exchange, and no notification or indication having been received from the Stock Exchange or the SFC prior to Completion that the listing and/or trading of the Shares on the Main Board of the Stock Exchange will or may be, for whatever reason, withdrawn or suspended (other than: (a) a suspension for less than ten consecutive business days; or (b) any suspension for the purpose of obtaining clearance from the Executive or the Stock Exchange for an announcement; or (c) any suspension for the purpose of obtaining clearance from the Executive or the Stock Exchange in relation to the sale and purchase of the Sale Shares under the Share Transfer Agreement or any other matter contemplated under the Share Transfer Agreement or set out, or referred to, in this joint announcement);
  - (d) all the representations, warranties and undertakings given by the Vendor in the Share Transfer Agreement remaining substantially true, accurate, complete and not misleading; and
  - (e) all the representations, warranties and undertakings given by the Offeror in the Share Transfer Agreement remaining substantially true, accurate, complete and not misleading.

The Offeror may in its absolute discretion at any time waive Conditions (c) and (d) above. The Vendor may in its absolute discretion at any time waive Conditions (b) and (e) above.

In the event that the Conditions are not fulfilled (or where applicable, waived) within twelve months after the date of the Share Transfer Agreement, the Share Transfer Agreement and the transactions contemplated thereunder shall terminate and be null and void and of no further effect and no party to the Share Transfer Agreement shall have any liability to any other party, save with respect to any prior breaches of the Share Transfer Agreement or otherwise provided in the Share Transfer Agreement.

Completion	: Unless otherwise agreed by the Vendor and the Offeror in writing, Completion shall take place on the next business day after all the Conditions are satisfied or waived (if applicable).
Default	: In the event any one party to the Share Transfer Agreement (the “ <b>Defaulting Party</b> ”) breaches any obligations or undertakings thereunder and causes damages to the other party to the Share Transfer Agreement, the Defaulting Party shall bear the compensation liability.
Undertakings	<p>: Subject to the requirements under the Takeovers Code, the Vendor understands that it will be presumed to be a party acting in concert with the Offeror under Class (9) of the definition of “acting in concert” under the Takeovers Code from the Completion Date until the payment of the Deferred Payment in full and agrees and acknowledges that the Offer will not extend to the Retained Shares.</p> <p>The Vendor further irrevocably undertakes that it will not sell, transfer, charge, pledge or grant any option over or otherwise dispose of or create any encumbrances in respect of any of the Retained Shares or any interest in any of the Retained Shares during the Offer Period.</p> <p>With the reasonable cooperation from the Vendor and the Company, (i) the Offeror shall ensure that upon Completion, the Company shall cease to use the intangible assets of the Vendor, such as its trade name, business qualifications and franchise rights, etc, and shall not convene business operation in the name as a subsidiary of the Vendor (subject to certain circumstances that the Offeror and the Vendor have otherwise agreed pursuant to the Share Transfer Agreement); and (ii) the Offeror shall use its best endeavour to procure the Company to remove “CLSA” from the name of the Company on or before 31 July 2025 (or such other later date to be agreed in writing by the Offeror and the Vendor).</p> <p>The Vendor has also given certain undertakings to provide reasonable assistance to the Offeror and the Company for handling the disputes, litigations, arbitrations, claims, and legal proceedings, etc. involving the Group that are existing or arising prior to the Completion Date pursuant to the Share Transfer Agreement.</p>
Board composition of the Company	: Upon Completion, the Offeror shall use its best endeavor to procure the Company to take all necessary actions to ensure that (subject to compliance with the articles of the Company, the Listing Rules and the Takeovers Code), for the period from the Completion Date to the day the Vendor ceases to be a shareholder of the Company, at least two candidates nominated by the Vendor are appointed as Directors.

Completion took place on 18 February 2025, and the Completion Payment was paid by the Offeror with its internal financial resources on the same date. For the avoidance of doubt, without prejudice to the right of the Vendor to receive the Deferred Payment and the Interest, the Completion occurs upon the completion of the transfer of the Sale Shares and the settlement of the Completion Payment and is not subject to the Deferred Payment having been paid.

Immediately upon Completion, the Vendor continues to hold the Retained Shares (i.e. 386,994,001 Shares), representing approximately 19.03% of the issued share capital of the Company as at the date of this joint announcement. Due to the Deferred Payment which will be settled after Completion and the Share Charge, the Vendor is presumed to be acting in concert with the Offeror under Class (9) of the definition of “acting in concert” under the Takeovers Code until the full settlement of the Deferred Payment by the Offeror. The Offeror does not expect to make early repayment of the Deferred Payment prior to the close of the Offer.

### **Share Charge**

On 18 February 2025, the Offeror executed a Share Charge in favour of the Vendor in respect of the security account maintained with CITIC Securities Brokerage (HK) Limited and the Sale Shares and all other shares, funds, securities and other forms of assets and any relevant rights thereunder which have been or may be deposited with the said security account charged by way of first fixed charge (to the extent such assets are not effectively charged by way of first fixed charge, by way of first floating charge) as continuing security for payment of the secured obligations of the Offeror under the relevant transaction documents (i.e. the Share Transfer Agreement, the Share Charge and any other documents designated by the Offeror and the Vendor).

## **UNCONDITIONAL MANDATORY CASH OFFER**

As at the date of this joint announcement, the Company has 2,033,290,000 Shares in issue and the Company does not have any other outstanding Shares, warrants, options, derivatives or other securities which are convertible into Shares or exchangeable into Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code).

Immediately prior to Completion, none of the Offeror nor the parties acting in concert with it (excluding the Vendor) was interested in any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code). Immediately after Completion and as at the date of this joint announcement, the Offeror and parties acting in concert with it (including the Vendor) are interested in 1,200,310,001 Shares, representing approximately 59.03% of the total issued share capital of the Company.

Pursuant to Rule 26.1 of the Takeovers Code, immediately following Completion, the Offeror is required to make an unconditional mandatory cash offer for all the issued Shares (other than those Shares already owned or agreed to be acquired by the Offeror and the parties acting in concert with it (including the Vendor)).

### **The Offer**

Shanggu will, for and on behalf of the Offeror and in compliance with the Takeovers Code, make the Offer on the following terms:

**For each Offer Share. . . . . HK\$0.1229**



The Offer Price of HK\$0.1229 per Offer Share is equivalent to the Sale Price payable by the Offeror together with the Interest accruing on the Deferred Payment for a period of six months from the Completion Date divided by the number of the Sale Shares, i.e. 813,316,000 Shares, the calculation of which is illustrated below:

$$\text{Sale Price}^{(Note\ 1)} + \frac{\text{Interest accruing on the Deferred Payment for a period of six months from the Completion Date}^{(Note\ 2)}}{\text{Number of the Sale Shares}^{(Note\ 3)}} = \text{HK\$0.1229}^{(Note\ 4)}$$

Notes:

1. Sale Price = the Consideration divided by the number of Sale Shares = approximately HK\$0.1205 per Share
2. Interest accruing on the Deferred Payment for a period of six months from the Completion Date =  
(Deferred Payment x 5.5%) x 6 months/12 months = approximately HK\$1,886,384.50
3. Number of Sale Shares = 813,316,000 Shares
4. The Offer Price is rounded up to HK\$0.1229

**The Offeror will not increase the Offer Price as set out above. Shareholders and potential investors should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Offer Price and the Offeror does not reserve the right to increase the Offer Price.**

The Company confirms that as at the date of this joint announcement, (i) it has not declared any dividend which is not yet paid; and (ii) it does not have any intention to declare or pay any future dividend or make other distributions prior to and including the date of closing or lapse of the Offer. If, after the date of this joint announcement, 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 gross amount of such dividend or other distribution.

### **Offer Price and Comparisons of Value**

The Offer Price of HK\$0.1229 per Offer Share represents:

- (i) a premium of approximately 33.59% to the closing price of HK\$0.092 per Share as quoted on the Stock Exchange on 27 December 2024, being the last trading day before the date of the initial announcement dated 29 December 2024;
- (ii) a discount of approximately 33.57% to the closing price of HK\$0.185 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 24.97% to the average of the closing price as quoted on the Stock Exchange for the five trading days immediately prior to and including the Last Trading Day of approximately HK\$0.1638 per Share;
- (iv) a discount of approximately 20.71% to the average of the closing price as quoted on the Stock Exchange for the ten trading days immediately prior to and including the Last Trading Day of approximately HK\$0.155 per Share;
- (v) a premium of approximately 1.82% to the average of the closing price as quoted on the Stock Exchange for the thirty trading days immediately prior to and including the Last Trading Day of approximately HK\$0.1207 per Share;
- (vi) a premium of approximately 4.18% over the Group's audited consolidated net assets attributable to the Shareholders per Share of approximately HK\$0.1180 as at 31 December 2023 (calculated based on (i) a total of 2,033,290,000 Shares as at the date of this joint announcement; and (ii) the Group's audited consolidated net assets attributable to the Shareholders of approximately HK\$239.865 million as at 31 December 2023); and

- (vii) a premium of approximately 1.74% over the Group's unaudited consolidated net assets attributable to the Shareholders per Share of approximately HK\$0.1208 as at 30 June 2024 (calculated based on (i) a total of 2,033,290,000 Shares as at the date of this joint announcement; and (ii) the Group's unaudited consolidated net assets attributable to the Shareholders of HK\$245.606 million as at 30 June 2024).

### **Highest and Lowest Trading Prices**

During the six-month period immediately preceding the commencement of the Offer Period and up to the Last Trading Day, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.185 per Share on 18 February 2025; and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.074 per Share on 20 September 2024.

### **Value of the Offer**

As at the date of this joint announcement, the total issued Shares of the Company is 2,033,290,000 Shares. Based on the Offer Price of HK\$0.1229 per Offer Share and the 2,033,290,000 Shares in issue, the entire issued share capital of the Company is valued at HK\$249,891,341.

Assuming that there is no change in the issued share capital of the Company and as the Offeror and the parties acting in concert with it (including the Vendor) are interested in an aggregate of 1,200,310,001 Shares immediately after Completion, 832,979,999 Shares will be subject to the Offer. Assuming full acceptance of the Offer and based on the Offer Price of HK\$0.1229 per Offer Share, the value of the Offer is approximately HK\$102,373,241.88.

### **Confirmation of Financial Resources**

As noted above, assuming full acceptance of the Offer and based on the Offer Price of HK\$0.1229 per Offer Share, the value of the Offer is approximately HK\$102,373,241.88. The Offeror intends to finance the consideration payable under the Offer in full with its internal financial resources.

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

### **Closing of the Offer**

In accordance with Rule 15.1 of the Takeovers Code, the Closing Date will fall on or after the 21st day from the date of the Composite Document.

### **Effect of Accepting the Offer**

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

Acceptance of the Offer by any Independent Shareholders will be deemed to constitute a warranty by such person that all the Shares sold by such person under the Offer are fully paid, free from liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights and benefits at any time accruing and attached to them, including the rights to receive all dividends and distributions, if any, declared, made or paid by reference to a record date on or after the date on which the Offer is made, that is, the date of despatch of the Composite Document.

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

## **Payment**

Payment in cash in respect of acceptances of the Offer will be made as soon as possible but in any event no later than seven (7) Business Days after the date of receipt of a duly completed acceptance of the Offer. Relevant documents evidencing title of the Offer Shares must be received by or on behalf of the Offeror (or the branch share registrar and transfer office of the Company in Hong Kong) to render such acceptance of the Offer complete, valid and in compliance with Note 1 to Rule 30.2 of the Takeovers Code.

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

## **Hong Kong Stamp Duty**

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

## **Taxation Advice**

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

## **Overseas Shareholders**

The Offeror intends to make the Offer available to all Independent Shareholders, including those with a registered address in a jurisdiction outside Hong Kong. The availability of the Offer to persons with a registered address in a jurisdiction outside Hong Kong may be affected by the laws of the relevant overseas jurisdictions. The making of the Offer to such Overseas Shareholders may be prohibited or limited by the laws or regulations of the relevant jurisdictions. The Overseas Shareholders should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice.

It is the responsibility of the Overseas Shareholders who wish to take any action in relation to the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with any such action, including the obtaining of any governmental, exchange control or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes in respect of any relevant jurisdictions.

Any acceptance by Shareholders and beneficial owners of the Shares who are citizens, residents or nationals of a jurisdiction outside Hong Kong will be deemed to constitute a representation and warranty from such persons to the Offeror that the local laws and requirements have been complied with. Shareholders who are in doubt as to the action they should take should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

In the event that the receipt of the Composite Document by Overseas Shareholders is prohibited by any applicable laws and regulations or may only be effected upon compliance with conditions or requirements in such overseas jurisdictions that would be unduly onerous or burdensome (or otherwise not in the best interest of the Offeror or the Company or the Shareholders), the Composite Document, subject to the Executive's consent, may not be despatched to such Overseas Shareholders. For that purpose, the Offeror will apply for a waiver pursuant to Note 3 to Rule 8 of the Takeovers Code at such time. In any event, material information in the Composite Document will be made available to those Shareholders.

### **Notice to U.S. Investors**

The Offer relates to the issued Shares of a company incorporated in the Cayman Islands and is being made by means of mandatory general offer provided for under the Takeovers Code.

A transaction effected by means of a mandatory general offer is not subject to the tender offer rules or the proxy solicitation rules under the US Securities Exchange Act of 1934 (together with the rules and regulations promulgated thereunder, the “**US Exchange Act**”). Accordingly, the Offer is subject to the disclosure requirements and practices applicable in Hong Kong to mandatory general offer which differ from the disclosure requirements of US tender offer and proxy solicitation rules. Consistent with Rule 14e-5 under the US Exchange Act, the Offeror, Shanggu (on behalf of the Offeror) and/or certain affiliated companies or nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, Shares outside such offer during the period in which such offer would remain open for acceptance. If such purchases or arrangements to purchase were to be made, they would be made outside the US either in the open market at prevailing prices or in private transactions at negotiated prices and would comply with applicable law, including, to the extent applicable, the US Exchange Act and the Takeovers Code. Any information about such purchases will be reported to the SFC in accordance with the requirements of the Takeovers Code and, to the extent required to be publicly disclosed under the Takeovers Code, will be available on the website of the SFC at <http://www.sfc.hk/> and the website of the Stock Exchange at <https://www.hkexnews.hk/>.

The receipt of cash pursuant to the Offer by a U.S. holder of securities of the Company may be a taxable transaction for U.S. federal income tax purposes and under applicable state and local, as well as foreign and other tax laws. Each holder of securities of the Company is urged to consult his/her/its independent professional adviser immediately regarding the tax consequences of the Offer.

U.S. Shareholders may encounter difficulty enforcing their rights and any claim arising out of the U.S. federal securities laws, as the Offeror and the Company are located in a country outside the United States, and some or all of their officers and directors may be residents of a country other than the United States. U.S. Shareholders may not be able to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of the U.S. securities laws. Further, U.S. Shareholders may encounter difficulty compelling a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgement.

Financial information disclosed in respect of the Offer has been or will have been prepared in accordance with non-U.S. accounting standards that may not be comparable to financial information of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

## DEALINGS AND INTERESTS IN SECURITIES OF THE COMPANY AND OTHER ARRANGEMENTS

The Offeror confirms that as at the date of this joint announcement:

- (i) save for the Share Transfer Agreement, neither the Offeror nor any person acting in concert with it has dealt for value in any Shares, warrants, options or derivatives of the Company or other securities convertible into Shares during the period commencing six months prior to the commencement of the Offer Period and up to and including the date of this joint announcement;
- (ii) save for (i) the 813,316,000 Shares held by the Offeror; (ii) the 386,994,001 Shares held by the Vendor; and (iii) the Share Charge, neither the Offeror nor any person acting in concert with it owns or has control or discretion over any voting rights or rights over the Shares or convertible securities, warrants, options or derivatives of the Company;
- (iii) save for the Share Charge, there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Shares and which might be material to the Offer;
- (iv) there is no agreement or arrangement to which the Offeror and/or parties acting in concert with it is a party which relates to circumstances in which the Offeror may or may not invoke or seek to invoke a pre-condition or a condition to the Offer;
- (v) neither the Offeror nor any parties acting in concert with it has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (vi) none of the Offeror and the parties acting in concert with it has received any irrevocable commitment(s) to accept the Offer;
- (vii) there is no outstanding derivative in respect of the securities in the Company which has been entered into by the Offeror or any parties acting in concert with it;
- (viii) other than the Consideration and the Interest payable by the Offeror to the Vendor for the transfer of the Sale Shares, there is no other consideration, compensation or benefits in whatever form paid or to be paid by the Offeror or any parties acting in concert with it to the Vendor and their beneficial owner(s) or any parties acting in concert with any of them in connection with the transfer of the Sale Shares;
- (ix) save for the Share Transfer Agreement and the Share Charge, there is no understanding, arrangement, or special deal (as defined under Rule 25 of the Takeovers Code) between the Vendor and its beneficial owner(s) and any parties acting in concert with any of them on one hand, and the Offeror and/or any parties acting in concert with it on the other hand; and
- (x) there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (1) any Shareholder; and (2)(a) the Offeror and/or any parties acting in concert with it; or (2)(b) the Company, its subsidiaries or associated companies.

## SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (i) immediately prior to Completion; and (ii) after Completion is set forth as follows:

Shareholders	Immediately prior to Completion		Immediately after Completion and as at the date of this joint announcement	
	<i>Number of Shares</i>	<i>Approximate % of the issued Shares<sup>1</sup></i>	<i>Number of Shares</i>	<i>Approximate % of the issued Shares<sup>1</sup></i>
Offeror and parties acting in concert with it (excluding the Vendor) <sup>2</sup>	–	–	813,316,000	40.00
Vendor <sup>2</sup>	1,200,310,001	59.03	386,994,001	19.03
<b>Subtotal of the Offeror and parties acting in concert with it (including the Vendor)</b>	<b>1,200,310,001</b>	<b>59.03</b>	<b>1,200,310,001</b>	<b>59.03</b>
Independent Shareholders	832,979,999	40.97	832,979,999	40.97
<b>Total</b>	<b><u>2,033,290,000</u></b>	<b><u>100.00</u></b>	<b><u>2,033,290,000</u></b>	<b><u>100.00</u></b>

*Note:*

1. Certain percentage figures in the above table are subject to rounding adjustments.
2. Due to the Deferred Payment which will be settled after Completion and the Share Charge, the Vendor is presumed to be acting in concert with the Offeror under Class (9) of the definition of “acting in concert” under the Takeovers Code until the full settlement of the Deferred Payment by the Offeror.

## DISCLOSURE PURSUANT TO RULE 14A.60 OF THE LISTING RULES

Following Completion, as the Offeror will be entitled to exercise more than 10% of the voting power at any general meeting of the Company, therefore it will become a connected person of the Company. In accordance with Rule 14A.60 of the Listing Rules, in relation to any existing continuing transactions between the Company and the Offeror (and its associates under the Listing Rules), the Company will as soon as practicable comply with, if applicable, the annual review and disclosure requirements if the Company continues to conduct the transaction under the agreement.

Further announcement(s) on the above will be made as soon as practicable as and when required under the Listing Rules.

## INFORMATION OF THE GROUP

The Company is a holding company and its subsidiaries are principally engaged in the healthcare business and its Shares are listed on the Main Board of the Stock Exchange (stock code: 6877). The Company’s foreign exchange trading business has been completely discontinued since May 2023 and it currently has no other operating businesses other than its healthcare business.



The following table is a summary of the certain consolidated financial information of the Company for the two financial years ended 31 December 2022 and 31 December 2023 as extracted from the annual reports of the Company for the year ended 31 December 2023, and for the six months ended 30 June 2023 and 30 June 2024 as extracted from the interim reports of the Company for the six months ended 30 June 2024:

	For the year ended 31 December		For the six months ended 30 June	
	2022 HK\$'000 (Audited)	2023 HK\$'000 (Audited)	2023 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Revenue	45,854	201,488	143,008	55,501
Profit/(loss) before taxation	(30,979)	11,587	6,858	7,436
Profit/(loss) and total comprehensive income/(expense)	(69,009)	18,907	10,628	12,001
	As at 31 December		As at 30 June	
	2022 HK\$'000 (Audited)	2023 HK\$'000 (Audited)	2023 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Total assets	284,310	251,775	268,733	262,097
Total liabilities	53,510	11,910	32,859	16,491
Net assets	230,800	239,865	235,874	245,606

The following financial information is extracted from the unaudited condensed consolidated management accounts of the Company as of 31 December 2024:

	For the year ended 31 December 2024 HK\$'000 (Unaudited)
Net cash position	205,171
Total assets	280,283
Total liabilities	35,776
Net assets attributable to equity holders of the Company	244,507

## VALUATION OF THE COMPANY

As disclosed in the announcements of the Company dated 29 December 2024 and 14 January 2025, as a centrally regulated financial enterprise under the supervision of the Ministry of Finance of the PRC, the Vendor is required to prepare a valuation report to comply with requirements under Article 18(5) of the Administrative Measures for the Transfer of State-owned Assets of Financial Enterprises (No. 54 of the Ministry of Finance). China Enterprise Appraisals Consultation Co., Ltd., an independent valuer based in the PRC, has been appointed to assess the market value of the entire shareholders' equity of the Company as of 31 December 2023 (the "**Valuation (2023)**"). Pursuant to the valuation report issued by China Enterprise Appraisals Consultation Co., Ltd., the appraised value of the Company as of 31 December 2023 was HK\$244,984,700. The said full valuation report prepared by China Enterprise Appraisals Consultation Co., Ltd., with respect to the Valuation (2023) is set out in Appendix I to this joint announcement.

As disclosed in the Company's announcement dated 14 January 2025, Odysseus Capital Asia Limited, being one of the financial advisers to the Company, has also been appointed as the independent valuer (the "**Independent Valuer**") to assess the market value of the entire shareholders' equity of the Company as of 31 December 2024 (the "**Valuation (2024)**") in compliance with Rule 11 of the Takeovers Code. Pursuant to the valuation report issued by the Independent Valuer, the appraised fair value of the entire equity interest of the Company as of 31 December 2024 was HK\$250,801,000. The said full valuation report prepared by the Independent Valuer in respect of the Valuation (2024), and the opinion of the Independent Valuer, is set out in Appendix II to this joint announcement.

## **INFORMATION OF THE OFFEROR**

The Offeror is a limited liability company established in the Cayman Islands, and is an enterprise which combined innovative health and ecological via internet. Through the Internet Plus model, it integrates global health and medical resources, and combines mobile internet technology, health cloud computing, artificial intelligence technology, etc. to serve and to provide high-quality professional health products and health services to global consumers. The business of the Offeror Group includes the traditional Chinese medicine internet hospital platform and a cross-border e-commerce platform.

As at the date of this joint announcement, the Offeror is held as to 59.4% by Top Eminent Invest Co., Ltd., 24% by E-comm Offshore Holding Limited, 15% by JinRong International Holding Limited and 1.6% by Top Eminent Invest I Co., Limited. Top Eminent Invest Co., Ltd. is a limited liability company incorporated in the British Virgin Islands and is wholly-owned by Mr. Ji Guangfei, who is in turn one of the directors of the Offeror. E-comm Offshore Holding Limited is a limited liability company incorporated in the British Virgin Islands which is wholly-owned by Beijing Tong Ren Tang Chinese Medicine Company Limited (a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 3613)).

Mr. Ji Guangfei (“**Mr. Ji**”), aged 51, is a Hong Kong resident. Having dedicated over 25 years to the fields of corporate management and investment operation, and accumulated profound experience in various fields including medical health, financial investment and energy, etc, Mr. Ji possesses extensive resources integration ability to promote in-depth integration of industries. Mr. Ji currently serves as the chairman of Tong Ren Tang International Group, and plays a key role in the corporate management and strategic decision-making, leading the group to steady development. Concurrently, Mr. Ji also serves as the director of various companies, including Top Eminent Invest Co., Limited (an entity incorporated in Hong Kong), Top Eminent Investment (Singapore) Pte Ltd., Beijing Tong Ren Tang USA Inc., Beijing Tong Ren Tang Europe Holding B.V., and The Herb Booth Pty Ltd., etc., contributing to the corporate development with his rich experience and outstanding leadership. Mr. Ji obtained an Executive Master of Business Administration (EMBA) degree from the Chinese University of Hong Kong in 2015.

## **INTENTIONS OF THE OFFEROR REGARDING THE GROUP**

Following the completion of the Offer, the Offeror intends to continue and support the existing principal businesses of the Group and to work closely with the Company’s management team to drive both customer and shareholder value. As at the date of this joint announcement, (i) the Offeror does not have any plans to make any material changes to the continued employment of the employees of the Group (other than those in the ordinary course of business); and (ii) the Offeror has no intention to dispose of or re-deploy the assets of the Group other than those in its ordinary course of business. The Offeror will conduct a strategic review of the Group’s assets, corporate structure, capitalization, operations, properties, policies and management to determine if any changes would be appropriate and desirable following the completion of the Offer with a view to optimizing the Group’s activities and development, and may make such changes as the Offeror deems necessary, appropriate or beneficial for the Group following its strategic review and/or taking into account any future developments.

## **THE BOARD COMPOSITION OF THE COMPANY**

As at the date of this joint announcement, the Board comprises Mr. Yuan Feng and Mr. Chung Cheuk Fan Marco as executive Directors, Mr. Li Jiong and Mr. Xu Jianqiang as non-executive Directors, and Mr. Wu Jianfeng, Ms. Hu Zhaoxia and Mr. Ma Anyang as independent non-executive Directors.

The Offeror does not have any intention to nominate new Directors to the Board but may do so in the future. If the Offeror wishes to nominate new Directors to the Board in the future, it shall be with effect from the earliest time permitted under the Takeovers Code. Further announcement(s) will be made by the Company in compliance with the requirements of the Listing Rules as and when there are changes in the composition of the Board.

As at the date of this joint announcement, save for the arrangements regarding the Board composition of the Company as set out under the Share Transfer Agreement (for details, please refer to the paragraph headed “The Share Transfer Agreement – Board composition of the Company” in this joint announcement), there is no agreement between the Offeror and the Vendor regarding the voting in respect of appointment of new Directors. Save for the Share Transfer Agreement and the Share Charge, there is no relationship, agreement or arrangement between the Offeror and the Vendor.

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

The Offeror intends to maintain the listing of the Shares on the Stock Exchange following the close of the Offer. Pursuant to the Listing Rules, if, at the closing of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the total issued Shares, are held by the public, or if the Stock Exchange believes that: (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, then it will consider exercising its discretion to suspend dealings in the Shares until the prescribed level of public float is restored.

In such circumstances, the respective directors of the Offeror and the Company will undertake to the Stock Exchange to take appropriate steps as soon as possible following the close of the Offer to ensure sufficient public float exists in the Shares after the close of the Offer.

## **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

Pursuant to Rule 2.1 of the Takeovers Code, the Independent Board Committee comprising the Independent Non-executive Directors who have no direct or indirect interest in the Offer, namely Mr. Wu Jianfeng and Ms. Hu Zhaoxia, has been established by the Company to advise the Independent Shareholders as to whether the Offer is fair and reasonable and as to the acceptance of the Offer.

Mr. Li Jiong and Mr. Xu Jianqiang, both Non-executive Directors of the Company, also concurrently serve as the chief treasury officer and the deputy head of the equity derivatives business line, respectively, of CITIC Securities Company Limited, the holding company of the Vendor. Mr. Ma Anyang, an Independent Non-Executive Director of the Company, is a director of certain wholly-owned subsidiaries of Beijing Tong Ren Tang Chinese Medicine Company Limited, the holding company of E-comm Offshore Holding Limited, which in turn is a shareholder of the Offeror. As such, Mr. Li Jiong, Mr. Xu Jianqiang and Mr. Ma Anyang are considered to have direct or indirect interests in the Offer by virtue of their respective relationship with the Vendor or the Offeror Group and as a result have not been appointed as members of the Independent Board Committee.

The Independent Financial Adviser will be appointed with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in respect of the Offer and, in particular, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer. A further announcement will be made upon the appointment of the Independent Financial Adviser.

## **DESPATCH OF THE COMPOSITE DOCUMENT**

Pursuant to Rule 8.2 of the Takeovers Code, the Offeror is required to despatch the Composite Document to the Shareholders no later than 21 days after the date of this joint announcement, or such later date as the Executive may approve in accordance with the Takeovers Code.

It is the intention of the Offeror and the Company to combine the offer document and the Company’s board circular in the Composite Document.

The Composite Document will contain, among others, (i) further details of the Offer; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Offer; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Offer; and (iv) the relevant form(s) of acceptance and transfer.

Further announcement(s) will be made when the Composite Document is despatched.

## DISCLOSURE OF DEALINGS

In accordance with Rule 3.8 of the Takeovers Code, the respective associates of the Company and the Offeror (as defined in the Takeovers Code, and including but not limited to any person owning or controlling 5% or more of any class of relevant securities in the Company) are reminded that, pursuant to Rule 22 of the Takeovers Code, to disclose their dealings in any relevant securities of the Company.

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

*“Responsibilities of stockbrokers, banks and other intermediaries*

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

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

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

## WARNING

**This joint announcement is made in compliance with the Takeovers Code for the purpose of, among other things, informing the Shareholders of the Offer to be made. Shareholders and potential investors of the Company should note that the Independent Board Committee has yet to consider and evaluate the Offer. The Directors make no recommendation as to the fairness or reasonableness of the terms of the Offer or as to the acceptance of the Offer in this joint announcement, and strongly recommend the Shareholders not to form a view on the Offer unless and until they have received and read the Composite Document, including the letter of recommendation of the Independent Board Committee and the letter of advice from the Independent Financial Adviser in respect of the Offer.**

**Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares. Those who are in doubt as to the action should consult a licensed securities dealer or registered institutions in securities, bank manager, solicitor, professional accountant or other professional advisers.**

## DEFINITIONS

In this joint announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“associate(s)”	has the meaning ascribed to it under the Takeovers Code
“Board”	the board of Directors
“Business Day(s)”	means 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 Hong Kong Securities Clearing Company Limited

“Closing Date”	the date to be stated in the Composite Document as the closing date of the Offer or any subsequent closing date as may be announced by the Offeror and approved by the Executive
“Company”	CLSA Premium Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 6877)
“Completion”	completion of the Transfer in accordance with the terms and conditions of the Share Transfer Agreement
“Completion Date”	18 February 2025, being the date on which Completion took place
“Completion Payment”	has the meaning ascribed thereto under the section headed “The Share Transfer Agreement – Consideration of the Transfer and payment schedule” in this joint announcement
“Composite Document”	the composite offer document and the Company’s board circular to be jointly issued by the Offeror and the Company in connection with the Offer in accordance with the Takeovers Code
“Condition(s)”	the conditions of the Share Transfer Agreement, as set out under the paragraph headed “The Share Transfer Agreement – Conditions” in this joint announcement
“connected person”	has the meaning given to it under the Listing Rules
“Consideration”	the total amount of HK\$97,994,000, being the consideration payable by the Offeror to the Vendor for the transfer of the Sale Shares
“Deferred Payment”	has the meaning ascribed thereto under the section headed “The Share Transfer Agreement – Consideration of the Transfer and payment schedule” in this joint announcement
“Director(s)”	the director(s) of the Company
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
“Group”	the Company together with its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising the independent non-executive Directors who have no direct or indirect interest in the Offer, namely Mr. Wu Jianfeng and Ms. Hu Zhaoxia, established for the purpose of advising the Independent Shareholders in respect of the Offer
“Independent Financial Adviser”	the independent financial adviser to be appointed by the Company with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in respect of the Offer and, in particular, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer
“Independent Shareholders”	Shareholders other than the Offeror or any parties acting in concert with it
“Independent Valuer”	has the meaning ascribed thereto under the section headed “Valuation of the Company” in this joint announcement



“Interest”	interest accruing on the Deferred Payment at 5.5% per annum
“Last Trading Day”	18 February 2025, being the last trading day of the Shares immediately before the publication of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Offer”	the unconditional mandatory cash offer to be made by Shanggu for and on behalf of the Offeror to acquire all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and the parties acting in concert with it) pursuant to Rule 26.1 of the Takeovers Code at the Offer Price
“Offeror”	Beijing Tong Ren Tang (Cayman) Limited, a company incorporated in the Cayman Islands with limited liability
“Offeror Group”	means the Offeror and its subsidiaries
“Offer Period”	has the meaning ascribed to it under the Takeovers Code, being the period commencing from 29 December 2024 and ending on the Closing Date
“Offer Price”	the price at which the Offer will be made, being HK\$0.1229 per Offer Share
“Offer Share(s)”	all the Shares in issue, other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it (including the Vendor)
“Overseas Shareholders”	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 joint announcement, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Retained Shares”	386,994,001 Shares (representing approximately 19.03% of the issued share capital of the Company as at the date of this joint announcement) which are owned by the Vendor upon Completion and have not been accounted for under the Share Transfer Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Price”	the sale price of approximately HK\$0.1205 per Sale Share
“Sale Shares”	813,316,000 Shares acquired by the Offeror pursuant to the Share Transfer Agreement, representing 40% of the total issued share capital of the Company as at the date of this joint announcement
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shanggu”	Shanggu Securities Limited, a corporation licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the financial adviser to the Offeror in respect of the Offer and the agent making the Offer on behalf of the Offeror
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company



“Share Charge”	the share charge executed by the Offeror in favour of the Vendor on 18 February 2025 as continuing security for payment of the secured obligations of the Offeror under the relevant transaction documents (i.e. the Share Transfer Agreement, the Share Charge and any other documents designated by the Offeror and the Vendor). For details, please refer to the paragraph headed “Share Charge” in this joint announcement
“Shareholder(s)”	holder(s) of Share(s)
“Share Transfer Agreement”	the share transfer agreement dated 18 February 2025 entered into between the Vendor and the Offeror in relation to the Transfer
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning given to it under the Listing Rules
“Takeovers Code”	the Hong Kong Codes on Takeovers and Mergers, as amended, supplemented or otherwise modified from time to time
“Transfer”	the transfer of the Sale Shares from the Vendor to the Offeror pursuant to the terms and conditions of the Share Transfer Agreement
“Vendor”	CITIC Securities International Company Limited, a private company with limited liability incorporated under the laws of Hong Kong, and the holder of the 1,200,310,001 Shares. The Vendor is a centrally regulated financial enterprise under the supervision of the Ministry of Finance of the PRC, and it is a subsidiary of CITIC Securities Company Limited
“U.S.” or “United States”	the United States of America
“%”	per cent

By order of the board of  
**Beijing Tong Ren Tang (Cayman) Limited**  
**Ji Guangfei**  
*Director*

By order of the Board  
**CLSA Premium Limited**  
**Yuan Feng**  
*Executive Director*

Hong Kong, 18 February 2025

*As at the date of this joint announcement, Mr. Ji Guangfei, Mr. Wang Nan, Ms. Chan Kwok Chiu, Ms. He Jing and Ms. Li Chaoying are the directors of the Offeror, and Mr. Ji Guangfei is the sole director of Top Eminent Invest Co., Ltd..*

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

*As at the date of this joint announcement, the Board comprises two Executive Directors, namely Mr. Yuan Feng and Mr. Chung Cheuk Fan Marco; two Non-executive Directors, namely Mr. Li Jiong and Mr. Xu Jianqiang and three Independent Non-executive Directors, namely Mr. Wu Jianfeng, Ms. Hu Zhaoxia and Mr. Ma Anyang.*

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

*The following is the full text of a valuation report issued by China Enterprise Appraisals Consultation Co., Ltd. in connection with its valuation of the entire shareholders' equity of the Company as of 31 December 2023.*

**This report is prepared in accordance with the Asset Valuation Standards of China**

**Asset Valuation Report**  
on the Value of the Entire Shareholders' Equity  
of CLSA Premium Limited involved in the  
Proposed Transfer of Equity in CLSA Premium Limited  
by CITIC Securities International Company Limited

Zhong Qi Hua Ping Bao Zi [2024] No. 2109  
(Book 1 of 1)

China Enterprise Appraisals Consultation Co., Ltd.  
3 September 2024

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## STATEMENT

- I. This asset valuation report was prepared in accordance with the Basic Asset Valuation Standards issued by the Ministry of Finance and the Practice Guidelines for Asset Valuation and Code of Ethics for Asset Valuation issued by China Appraisal Society.
- II. We, the asset appraisal agency and our asset appraisers abide by the laws, administrative regulations and valuation standards, and adhere to the principles of independence, objectivity and impartiality, and accept the legal responsibilities for the asset valuation report issued in accordance with the law.
- III. The principal or other users of this asset valuation report shall use this report within the scope of use as specified in accordance with the provisions of laws and administrative rules and regulations. We, the asset appraisal agency and our asset appraisers, take no responsibility for any non-compliance of above-mentioned requirements for the use of this asset valuation report by the principal or other users of this asset valuation report.

This asset valuation report shall only be used by the principal, other users of this asset valuation report as agreed upon in the asset appraisal entrustment contract, and users required by laws and administrative rules and regulations. Save for the above, this asset valuation report shall not be used by any other agencies or individuals.

We, the asset appraisal agency and our asset appraisers, advise the users of this asset valuation report to properly interpret and utilise the valuation results, which do not represent the realizable value of the target of appraisal and should not be considered a guarantee for the realizable value of the target of appraisal.

- IV. The assets, liabilities list and the forecast information of the corporate's operation of the target of appraisal have been reported and confirmed by their signatures, seals or other methods as permitted under the law by the principal and assessed entity. The principal and other relevant parties shall be true to the information provided and bear legal responsibility for its truthfulness, completeness and legality.
- V. The asset appraisers have carried out on-site inspection of the target of appraisal in this asset valuation report and its assets involved; paid necessary attention to the legal titles of the target of appraisal and its assets involved; verified the information related to the legal titles, made proper disclosure regarding identified issues; and requested the principal and other relevant parties to perfect the titles in order to fulfil the requirements for the issuance of the asset valuation report.
- VI. We, the asset appraisal agency and our asset appraisers, have no existing or expected relationship of interests with the target of appraisal in this asset valuation report nor with the relevant parties and have no prejudice against the relevant parties.
- VII. The analyses, judgments and results in this asset valuation report issued by the asset appraisal agency are subject to the assumptions and limitations outlined within it. Users of this report shall fully consider the specified assumptions, limitations and explanatory notes on special matters, as well as their impacts on the valuation conclusion.
- VIII. The inspection of physical assets by our asset appraisers is generally limited to observation under normal practice to understand the conditions of use and maintenance. It does not include the internal parts that are covered, hidden or difficult to access. We are not equipped to conduct professional surveys and are not commissioned to perform professional and technical inspections and surveys of the internal quality of the above assets. Our valuation is based on the information provided by the principal and other relevant parties. If there are defects in the internal quality of these targets of appraisal, the valuation conclusion may be affected to varying degrees.

## SUMMARY OF THE ASSET VALUATION REPORT

### IMPORTANT

The contents of this summary have been extracted from the full text of the asset valuation report. For details of this valuation, and in order to reasonably understand and use the valuation conclusion, you should carefully read the full text of the asset valuation report.

CITIC Securities International Company Limited:

China Enterprise Appraisals Consultation Co., Ltd. (北京中企華資產評估有限責任公司) has been engaged by you to appraise the market value of the entire shareholders' equity of CLSA Premium Limited as of the valuation benchmark date in accordance with the laws, administrative regulations and valuation standards and in line with the principles of independence, objectivity and impartiality as well as following the necessary appraisal procedures. The summary of the asset valuation report is set out below:

CITIC Securities International Company Limited intends to transfer the equity in CLSA Premium Limited. In this regard, it is necessary to assess the market value of the entire shareholders' equity of CLSA Premium Limited as at the valuation benchmark date to provide reference for the value of the above economic behaviour.

Target of appraisal: the value of the entire shareholders' equity of CLSA Premium Limited

Scope of appraisal: all assets and liabilities of CLSA Premium Limited, including current assets, fixed assets, other non-current assets, current liabilities and non-current liabilities.

Valuation benchmark date: 31 December 2023

Type of value: market value

Valuation approaches: asset-based approach and income approach

Valuation conclusion: this valuation adopted the asset-based approach in concluding the valuation result. Details of the valuation result are set out as follows:

The book value of the consolidated total assets of CLSA Premium Limited was HK\$251,773,500 (equivalent to RMB228,162,200). The book value of the consolidated total liabilities was HK\$11,909,900 (equivalent to RMB10,793,000). The book value of net assets attributable to the parent company was HK\$239,863,600 (equivalent to RMB217,369,200). The value of the entire shareholders' equity after valuation under the asset-based approach was HK\$244,984,700 (equivalent to RMB222,010,000), with an appreciation of HK\$5,119,700 (equivalent to RMB4,639,600), representing an appreciation rate of 2.13%.

The book value of the total assets of the parent company of CLSA Premium Limited was HK\$416,917,500 (equivalent to RMB377,819,000), and the appraised value was HK\$565,383,200 (equivalent to RMB512,361,600), with an appreciation of HK\$148,465,700 (equivalent to RMB134,542,600), representing an appreciation rate of 35.61%. The book value of the total liabilities of the parent company amounted to HK\$320,398,500 (equivalent to RMB290,351,500), and the appraised value was HK\$320,398,500 (equivalent to RMB290,351,500), with no increase or decrease in value. The book value of the net assets of the parent company amounted to HK\$96,519,000 (equivalent to RMB87,467,400), and the appraised value was HK\$244,984,700 (equivalent to RMB222,010,000), with an appreciation of HK\$148,465,700 (equivalent to RMB134,542,600), representing an appreciation rate of 153.82%.

The specific valuation results of the parent company's asset-based approach are detailed in the following summary of valuation results:

### Summary of the valuation results of the asset-based approach

Valuation benchmark date: 31 December 2023

Amount unit: HK\$0'000

Item		Book value A	Appraised value B	Increase or decrease in value C=B-A	Appreciation rate % D=C/A × 100 %
Current assets	1	18,091.57	19,776.80	1,685.23	9.32
Non-current assets	2	23,600.18	36,761.52	13,161.34	55.77
Of which: Long-term equity investment	3	23,600.18	36,761.52	13,161.34	55.77
Investment real estates	4	0.00	0.00	0.00	
Fixed assets	5	0.00	0.00	0.00	
Construction in progress	6	0.00	0.00	0.00	
Oil and gas assets	7	0.00	0.00	0.00	
Intangible assets	8	0.00	0.00	0.00	
Of which: Land use rights	9	0.00	0.00	0.00	
Other non-current assets	10	0.00	0.00	0.00	
<b>Total assets</b>	<b>11</b>	<b>41,691.75</b>	<b>56,538.32</b>	<b>14,846.57</b>	<b>35.61</b>
Current liabilities	12	32,039.85	32,039.85	0.00	0.00
Non-current liabilities	13	0.00	0.00	0.00	
<b>Total liabilities</b>	<b>14</b>	<b>32,039.85</b>	<b>32,039.85</b>	<b>0.00</b>	<b>0.00</b>
<b>Net assets</b>	<b>15</b>	<b>9,651.90</b>	<b>24,498.47</b>	<b>14,846.57</b>	<b>153.82</b>

### Summary of the valuation results of the asset-based approach

Valuation benchmark date: 31 December 2023

Amount unit: RMB0'000

Item		Book value A	Appraised value B	Increase or decrease in value C=B-A	Appreciation rate % D=C/A × 100 %
Current assets	1	16,394.94	17,922.13	1,527.19	9.32
Non-current assets	2	21,386.96	33,314.02	11,927.07	55.77
Of which: Long-term equity investment	3	21,386.96	33,314.02	11,927.07	55.77
Investment real estates	4	0.00	0.00	0.00	
Fixed assets	5	0.00	0.00	0.00	
Construction in progress	6	0.00	0.00	0.00	
Oil and gas assets	7	0.00	0.00	0.00	
Intangible assets	8	0.00	0.00	0.00	
Of which: Land use rights	9	0.00	0.00	0.00	
Other non-current assets	10	0.00	0.00	0.00	
<b>Total assets</b>	<b>11</b>	<b>37,781.90</b>	<b>51,236.16</b>	<b>13,454.26</b>	<b>35.61</b>
Current liabilities	12	29,035.15	29,035.15	0.00	0.00
Non-current liabilities	13	0.00	0.00	0.00	
<b>Total liabilities</b>	<b>14</b>	<b>29,035.15</b>	<b>29,035.15</b>	<b>0.00</b>	<b>0.00</b>
<b>Net assets</b>	<b>15</b>	<b>8,746.74</b>	<b>22,201.00</b>	<b>13,454.26</b>	<b>153.82</b>

This asset valuation report is issued solely for the purpose of providing value reference for the economic behavior described herein, and the valuation conclusion is valid for one year from the valuation benchmark date.

Users of the report shall fully consider the assumptions, limiting conditions and notes outlined on special matters set out in the report and their impacts on the valuation conclusion.

The content above is an excerpt from the full asset valuation report. For further details of this valuation to fully understand and appropriately use the valuation conclusions, you are advised to read the complete report carefully.



# **The value of the entire shareholders' equity of CLSA Premium Limited involved in the proposed transfer of equity in CLSA Premium Limited by CITIC Securities International Company Limited**

## **Main text of the asset valuation report**

CITIC Securities International Company Limited:

China Enterprise Appraisals Consultation Co., Ltd. (北京中企華資產評估有限責任公司) has been engaged by you and, in accordance with the provisions of the laws, administrative regulations and asset appraisal standards, adhered to the principles of independence, objectivity and impartiality, adopted the valuation methods of asset-based approach and income approach, carried out the valuation of the market value of the entire shareholders' interest in CLSA Premium Limited as at 31 December 2023 involved in the transfer of equity in CLSA Premium Limited by CITIC Securities International Company Limited in accordance with the requisite valuation procedures. The asset appraisal is reported below:

### **I. The principal, the assessed entity and other users of the asset valuation report as agreed upon in the asset appraisal entrustment contract**

The principal of the current appraisal is CITIC Securities International Company Limited, the assessed entity is CLSA Premium Limited, and other users of the asset valuation report as agreed upon in the asset appraisal entrustment contract include the state-owned assets supervision and management authorities and the users specified in laws and regulations.

#### ***(I) Brief introduction of the principal***

Name:	CITIC Securities International Company Limited
Domicile:	26/F, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong
Company number:	21652080
Basic information:	CITIC Securities International Company Limited, established in 1998, is located in Hong Kong SAR and is an enterprise principally engaged in securities brokerage, dealer and issuance of securities.
Date of incorporation:	1998-04-09

#### ***(II) Overview of the assessed entity***

##### **1. Overview of the company**

Name:	CLSA Premium Limited
Domicile:	Suite 810, Level 8, One Pacific Place, 88 Queensway, Hong Kong
Authorized share capital:	HK\$40,000,000
Total number of issued shares:	2,033,290,000
Type:	Hong Kong listed company
Stock code:	6877
Date of incorporation:	9 November 2010
Group business:	Sales of healthcare products and other services.

### ***(III) Historical background***

#### **1. Major shareholders and shareholding ratio of the company**

Name of Shareholder	Number of shares held (shares)	Shareholding ratio (%)
1 CITIC Securities International Company Limited	1,200,310,001.00	59.03
2 KVB Holdings Limited	300,000,000.00	14.75
3 Calypso International Investment Co., Limited	106,355,000.00	5.23

#### **2. Assets, financial and operational status in the last three years**

The financial position of the assessed entity for the last three years is shown in the table below (consolidated basis):

*Amount unit: HK\$0'000*

Item	31 December 2021	31 December 2022	31 December 2023
Total assets	33,061.6	28,431.0	25,177.5
Total liabilities	6,185.9	5,351.0	1,191.0
Owners' equity	26,875.7	23,080.0	23,986.5
Of which: Equity attributable to owners of the parent company	26,875.7	23,080.0	23,986.5

The operating conditions of the assessed entity for the last three years is shown in the table below (consolidated basis):

*Amount unit: HK\$0'000*

Item	2021	2022	2023
Total income	818.05	4,603.60	20,148.80
Total profit	-5,791.20	-3,097.90	1,158.70
Net profit	-5,654.20	-3,105.20	984.20
Of which: Net profit attributable to owners of the parent company	-5,654.20	-3,105.20	984.20

The accounting statements of the assessed entity for the years 2021, 2022 and 2023 have been audited by BDO Limited, which has issued a qualified opinion on the audit report for the year 2021 and an unqualified opinion on the audit statements for the years 2022 and 2023, respectively.

#### **3. The relationship between the principal and the assessed entity**

The principal for the current valuation is CITIC Securities International Company Limited and the assessed entity is CLSA Premium Limited. The principal is the controlling shareholder of the assessed entity.

### ***(IV) Other users of the asset valuation report as agreed upon in the asset appraisal entrustment contract***

This asset valuation report is intended for use only by the principal, other users of the asset valuation report as agreed upon in the asset appraisal entrustment contract, and users of the asset valuation report as stipulated in national laws and regulations, and shall not be used or relied upon by any other third party.

## **II. Purpose of the appraisal**

CITIC Securities International Company Limited intends to transfer the equity in CLSA Premium Limited. In this regard, it is necessary to assess the market value of the entire shareholders' equity of CLSA Premium Limited as at the valuation benchmark date to provide reference for the value of the above economic behavior.

## **III. Target and scope of appraisal**

### ***(I) Target of appraisal***

The target of appraisal is the value of the entire shareholders' equity of CLSA Premium Limited.

### ***(II) Scope of appraisal***

As at the valuation benchmark date, the assets of the parent company of CLSA Premium Limited within the scope of valuation included current assets and long-term equity investments, with the total assets of the parent company having a carrying value of HK\$416,917,500 (equivalent to RMB377,819,000); the liabilities included current liabilities, with the total liabilities of the parent company having a carrying value of HK\$320,398,500 (equivalent to RMB290,351,500); and the net assets of the parent company had a carrying value of HK\$96,519,000 (equivalent to RMB87,467,400).

Assets within the scope of consolidated valuation of CLSA Premium Limited included current assets and fixed assets, with a book value of the consolidated total assets of HK\$251,773,500 (equivalent to RMB228,162,200); liabilities included current liabilities, with a book value of the consolidated total liabilities of HK\$11,909,900 (equivalent to RMB10,793,000); the book value of net assets attributable to the parent company was HK\$239,863,600 (equivalent to RMB217,369,200).

As of the valuation benchmark date, the book value of assets and liabilities within the valuation scope has been audited by BDO Limited, and an unqualified opinion has been issued.

### ***(III) Long-term equity investment***

The book balance of long-term equity investments at the valuation benchmark date was HK\$409,946,053.03, accounting for 6 wholly-owned and holding long-term equity investments. An impairment provision of HK\$173,944,293.03 was made for long-term equity investments at the valuation benchmark date, and the carrying value of long-term equity investments was HK\$236,001,760.00.

A summary of the long-term equity investments at the valuation benchmark date is shown in the table below:

No.	Name of the investee unit	Date of investment	Percentage of shareholding (Unit: %)	Book value (Unit: HK\$)	Amount of provision for impairment (Unit: HK\$)
1	CLSA Premium New Zealand Limited	2022-08	100.00%	101,815,807.93	51,900,962.03
2	CLSA Premium Pty Limited	2022-08	100.00%	82,604,034.65	45,139,991.61
3	CLSA Premium International (HK) Limited	2022-08	100.00%	114,544,301.52	75,903,339.39
4	CLSA Premium Bullion Limited	2021-03	100.00%	1,000,000.00	0.00
5	Yorkcastle Capital Limited	2022-08	100.00%	1,000,000.00	1,000,000.00
6	LXL Capital I Limited	2011-04	100.00%	108,981,908.93	0.00
<b>Total</b>				<b>409,946,053.03</b>	<b>173,944,293.03</b>

## Company Overview

### 1. CLSA Premium New Zealand Limited

#### (1) Overview of the company

Name:	CLSA Premium New Zealand Limited
Registered address:	William Buck (NZ) Ltd, Level 4, 21 Queen Street, Auckland, 1010, New Zealand
Type of enterprise:	Private company limited by shares
Registration certificate number:	1161268
Date of incorporation:	6 September 2001

#### (2) Shareholders and their shareholding ratio in the company and changes in equity interest

On 6 September 2001, CLSA Premium New Zealand Limited was established in Auckland, New Zealand. The company's shareholding structure as at the valuation benchmark date is as follows:

Name of Shareholder	Number of shares held (shares)	Percentage of shareholding (%)
CLSA Premium Limited	1,142,020.00	100.00
Total	1,142,020.00	100.00

There have been no other changes to the shareholding structure as at the valuation benchmark date.

#### (3) Assets, financial and operational status

The financial position of the assessed entity for the last two years is shown in the table below:

Item	31 December 2022 (Amount unit: NZD0'000)	31 December 2023 (Amount unit: HK\$0'000)
Total assets	17.63	5,070.96
Total liabilities	4.85	4,954.95
Owners' equity	12.78	116.01

The operational position of the assessed entity for the last two years is shown in the table below:

Item	2022 (Amount unit: NZD0'000)	2023 (Amount unit: HK\$0'000)
Revenue	60.44	0.44
Total profit	-42.10	6.60
Net profit	-41.70	6.60

The accounting statements of the assessed entity as of the valuation benchmark date and for 2022 have been audited by BDO Limited and LNP Audit and Assurance Pty Ltd, respectively, and standard unqualified opinions have been issued.

## 2. CLSA Premium Pty Limited

### *(1) Overview of the company*

Name:	CLSA Premium Pty Limited
Registered address:	Level 35, Grosvenor Place, 225 George Street, Sydney, NSW 2000, Australia
Type of enterprise:	Private company limited by shares
Registration certificate number:	101829467
Date of incorporation:	26 August 2002

### *(2) Shareholders and their shareholding ratio in the company and changes in equity interest*

On 26 August 2002, CLSA Premium Pty Limited was established in Australia with a registered capital of AUD10. The company was funded by KVB Kunlun New Zealand Limited (now CLSA Premium New Zealand Limited), which increased the capital in two tranches (AUD1,000,000 and AUD50,000) in the form of REDP and PRF on 19 December 2005. On 13 December 2005, 1,000,000 REDP and 50,000 PRF shares were converted into ordinary shares. On 5 January 2006, it transferred 1,050,010 shares held to KV Kunlun Holdings Limited. KV Kunlun Holdings Limited transferred all shares to LXL Capital III Limited on 4 May 2012. LXL Capital III Limited subsequently increased its capital in 2014, 2017, 2019 and 2020, and held 15,664,108 shares as at 27 November 2020 and transferred all shares to CLSA Premium Limited at AUD8,218,711 on 31 August 2022. The company's shareholding structure as at the valuation benchmark date is as follows:

<b>Name of Shareholder</b>	<b>Number of shares held (shares)</b>	<b>Percentage of shareholding (%)</b>
CLSA Premium Limited	15,664,108	100.00
Total	15,664,108	100.00

There have been no other changes to the shareholding structure as at the valuation benchmark date.

### *(3) Assets, financial and operational status*

The financial position of the assessed entity for the last two years is shown in the table below:

<b>Item</b>	<b>31 December 2022 (Amount unit: AUD0'000)</b>	<b>31 December 2023 (Amount unit: HK\$0'000)</b>
Total assets	448.97	2,265.00
Total liabilities	64.37	195.10
Owners' equity	384.60	2,069.90

The operational position of the assessed entity for the last two years is shown in the table below:

<b>Item</b>	<b>2022</b> <i>(Amount unit: AUD0'000)</i>	<b>2023</b> <i>(Amount unit: HK\$0'000)</i>
Revenue	-17.19	86.18
Total profit	-207.27	27.69
Net profit	-207.27	27.69

The accounting statements of the assessed entity as of the valuation benchmark date and for 2022 have been audited by BDO Limited and BDO Audit Pty Ltd, respectively, and standard unqualified opinions have been issued.

### 3. CLSA Premium International (HK) Limited

#### *(1) Overview of the company*

Name:	CLSA Premium International (HK) Limited
Registered address:	Suite 810, Level 8, One Pacific Place, 88 Queensway, Hong Kong
Type of enterprise:	Private company limited by shares
Registration certificate number:	32700490
Date of incorporation:	3 June 2002

#### *(2) Shareholders and their shareholding ratio in the company and changes in equity interest*

On 3 June 2002, CLSA Premium International (HK) Limited was established in Hong Kong, China with a registered capital of HK\$200,000. The company was funded by Li Zhi Da and Tsui Wang, who increased the capital by 89,820,000 and 9,980,000 shares on 8 June 2004, respectively, and on 7 May 2012, the two transferred a total of 100,000,000 shares with a nominal value of HK\$1 each to LXL Capital IV Limited. The company's shareholding structure is as follows:

<b>Name of Shareholder</b>	<b>Number of shares held (shares)</b>	<b>Percentage of shareholding (%)</b>
LXL Capital IV Limited	100,000,000	100.00
Total	100,000,000	100.00

On 31 August 2022, the shareholder of CLSA Premium International (HK) Limited changed to CLSA Premium Limited. The shareholding structure subsequent to the change is as follows:

<b>Name of Shareholder</b>	<b>Number of shares held (shares)</b>	<b>Percentage of shareholding (%)</b>
CLSA Premium Limited	100,000,000	100.00
Total	100,000,000	100.00

There have been no other changes to the shareholding structure as at the valuation benchmark date.



(3) *Assets, financial and operational status*

The financial position of the assessed entity for the last three years is shown in the table below:

*Amount unit: HK\$0'000*

<b>Item</b>	<b>31 December 2021</b>	<b>31 December 2022</b>	<b>31 December 2023</b>
Total assets	5,005.38	4,212.41	3,927.53
Total liabilities	112.61	98.54	63.42
Owners' equity	4,892.77	4,113.87	3,864.11

The operational position of the assessed entity for the last three years is shown in the table below:

*Amount unit: HK\$0'000*

<b>Item</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Revenue	297.18	36.14	161.05
Total profit	-2,050.49	-778.91	-249.77
Net profit	-2,050.49	-778.91	-249.77

The accounting statements of the assessed entity as of the valuation benchmark date and for 2022 and 2021 have been audited by BDO Limited, and standard unqualified opinions have been issued.

4. CLSA Premium Bullion Limited

(1) *Overview of the company*

Name:	CLSA Premium Bullion Limited
Address:	Suite 810, Level 8, One Pacific Place, 88 Queensway, Hong Kong
Nature of enterprise:	limited liability company
Scope of business:	trading services of healthcare products
Registration certificate number:	72624848
Date of incorporation:	1 February 2021

(2) *Shareholders and their shareholding ratio in the company and changes in equity interest*

On 1 February 2021, CLSA Premium Bullion Limited was established in Hong Kong, China with a registered capital of HK\$1,000,000.00. The company was funded by LXL Capital III Limited with a paid-up capital of HK\$1,000,000.00. The shareholding structure is as follows:

<b>Name of Shareholder</b>	<b>Number of shares held (shares)</b>	<b>Percentage of shareholding (%)</b>
LXL Capital III Limited	100.00	100.00
Total		100.00

CLSA Premium Bullion Limited's shareholding structure as at the valuation benchmark date is as follows:

<b>Name of Shareholder</b>	<b>Number of shares held (shares)</b>	<b>Percentage of shareholding (%)</b>
CLSA Premium Limited	100.00	100.00
Total		100.00

(3) *Assets, financial and operational status in the past three years*

The financial position of the assessed entity for the last three years is shown in the table below:

*Amount unit: HK\$0'000*

<b>Item</b>	<b>31 December 2021</b>	<b>31 December 2022</b>	<b>31 December 2023</b>
Total assets	147.69	6,466.39	5,094.89
Total liabilities	47.94	6,484.35	4,027.55
Owners' equity	99.74	-17.97	1,067.34

The operational position of the assessed entity for the last three years is shown in the table below:

*Amount unit: HK\$0'000*

<b>Item</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Revenue	18.98	4,114.00	19,021.82
Total profit	-0.25	-108.04	1,259.85
Net profit	-0.25	-117.71	1,085.31

The accounting statements of the assessed entity as of the valuation benchmark date and for 2022 and 2021 have been audited by BDO Limited, and unqualified audit reports have been issued.

5. Yorkastle Capital Limited

(1) *Overview of the company*

Name:	Yorkastle Capital Limited
Registered address:	Suite 810, Level 8, One Pacific Place, 88 Queensway, Hong Kong
Type of enterprise:	Private company limited by shares
Registration certificate number:	62350823
Date of incorporation:	18 November 2013

(2) *Shareholders and their shareholding ratio in the company and changes in equity interest*

On 18 November 2013, Yorkastle Capital Limited was established in Hong Kong, China with a registered capital of HK\$1,000,000.00. The company was funded by LXL Capital V Limited with a paid-up capital of HK\$1,000,000.00 divided into 1,000,000.00 shares. The shareholding structure is as follows:

<b>Name of Shareholder</b>	<b>Number of shares held (shares)</b>	<b>Percentage of shareholding (%)</b>
LXL Capital V Limited	1,000,000.00	100.00
Total	1,000,000.00	100.00

On 31 August 2022, the shareholder of Yorkastle Capital Limited changed to CLSA Premium Limited. The shareholding structure subsequent to the change is as follows:

<b>Name of Shareholder</b>	<b>Number of shares held (shares)</b>	<b>Percentage of shareholding (%)</b>
CLSA Premium Limited	1,000,000.00	100.00
Total	1,000,000.00	100.00

There have been no other changes to the shareholding structure as at the valuation benchmark date.

(3) *Assets, financial and operational status*

The financial position of the assessed entity for the last three years is shown in the table below:

<i>Amount unit: HK\$0'000</i>			
<b>Item</b>	<b>31 December 2021</b>	<b>31 December 2022</b>	<b>31 December 2023</b>
Total assets	3,258.83	100.19	0.00
Total liabilities	6,005.75	2,909.90	1.60
Owners' equity	-2,746.92	-2,809.71	-1.60

The operational position of the assessed entity for the last three years is shown in the table below:

<i>Amount unit: HK\$0'000</i>			
<b>Item</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Total revenue	0.29	-61.46	2,809.77
Total profit	-0.27	-62.79	2,808.12
Net profit	-0.27	-62.79	2,808.12

The accounting statements of the assessed entity as of the valuation benchmark date and for 2022 and 2021 have been audited by BDO Limited, and standard unqualified opinions have been issued.

## 6. LXL Capital I Limited

### (1) *Overview of the company*

Name:	LXL Capital I Limited
Registered address:	2/F, Palm Grove House, P.O. Box 3340, Road Town, Tortola, British Virgin Islands
Nature of enterprise:	limited liability company
Registration certificate number:	1642241
Date of incorporation:	8 April 2011

### (2) *Shareholders and their shareholding ratio in the company and changes in equity interest*

On 8 April 2011, LXL Capital I Limited was established in the British Virgin Islands, funded by CLSA Premium Limited with a paid-up capital of US\$100. The shareholding structure is as follows:

<b>Name of Shareholder</b>	<b>Number of shares held (shares)</b>	<b>Percentage of shareholding (%)</b>
CLSA Premium Limited	100.00	100.00
Total		100.00

CLSA Premium Limited subsequently proceeded with capital increase and share buyback between 2014 and 2022. LXL Capital I Limited's shareholding structure as at the valuation benchmark date is as follows:

<b>Name of Shareholder</b>	<b>Number of shares held (shares)</b>	<b>Percentage of shareholding (%)</b>
CLSA Premium Limited	700.00	100.00
Total	700.00	100.00

As of the valuation benchmark date, there have been no other changes to the above shareholding structure.

### (3) *Assets and financial condition as at the valuation benchmark date*

The financial position of the assessed entity for the last three years is shown in the table below:

	<i>Amount unit: HK\$0'000</i>		
<b>Item</b>	<b>31 December 2021</b>	<b>31 December 2022</b>	<b>31 December 2023</b>
Total assets	15,855.58	10,899.17	10,898.42
Total liabilities	0.00	0.00	86.42
Owners' equity	15,855.58	10,899.17	10,812.00

The operational position of the assessed entity for the last three years is shown in the table below:

*Amount unit: HK\$0'000*

<b>Item</b>	<b>31 December 2021</b>	<b>31 December 2022</b>	<b>31 December 2023</b>
Revenue	0.00	0.00	0.00
Total profit	-0.55	28.30	0.00
Net profit	-0.55	28.30	0.00

The accounting statement of the assessed entity as of the valuation benchmark date has been audited by BDO Limited, and unqualified audit reports have been issued. The management has provided and committed the truthfulness of the financial statements for the years 2022 and 2021.

***(IV) Intangible assets declared by the enterprise***

Nil.

***(V) Off-balance sheet assets reported by the enterprise***

The assets declared by the enterprise to be included in the scope of valuation are all on-balance sheet assets with no off-balance sheet assets.

***(VI) Relevant assets involved in the conclusions of reports issued by other institutions***

**IV. Type of value**

According to the purpose of this appraisal, market conditions and circumstances of the target of appraisal, the value type of the target of appraisal is determined to be market value.

Market value refers to the estimated value of the target of appraisal in a normal and fair transaction on the valuation benchmark date between a willing buyer and a willing seller, each acting rationally and without any coercion.

**V. Valuation benchmark date**

The valuation benchmark date of this report is 31 December 2023.

The valuation benchmark date is determined by the principal. Factors considered when determining the valuation benchmark date primarily include the realization of economic behaviors and the conditions at the end of the accounting period. Valuation provides a reference to the asset value at a specific point of time, and selecting the end of the accounting period as the valuation benchmark date comprehensively reflects the overall condition of the assets of the target of appraisal. Furthermore, the valuation benchmark date has been chosen to be relatively close to the planned realization of the relevant economic behavior, to ensure that the valuation results effectively serve their purpose, the valuation scope is accurately delineated, the assets are accurately and efficiently checked and verified, and the bases for valuation and pricing are reasonably selected.

## **VI. Basis of appraisal**

### ***(I) Economic behavior basis***

1. Approval on the Transfer of Liang Zhuoyue (里昂卓越, a company listed overseas under CITIC Securities) By Way of Listing (Zhong Xin You Xian [2024] No. 91) (《關於同意中信證券境外上市公司里昂卓越掛牌轉讓的批覆》(中信有限[2024]91號));
2. Minutes for the Meeting of the General Manager Office of the CITIC Group (《中信集團總經理辦公會議紀要》) (No. 18, 2024);
3. Minutes for the Meeting of the Strategic Investment Committee of the CITIC Limited (《中信有限戰投委會議紀要》) (No. 7, 2024);
4. Minutes for the Meeting of the Operation Management Committee of the CITIC Securities (《中信證券經營管理委員會會議紀要》) (No. 15, 2024);
5. Minutes for the Meeting of the Operation Management Committee of the CITIC Securities (《中信證券經營管理委員會會議紀要》) (No. 13, 2024);
6. Minutes for the Meeting of the Party Committee of the CITIC Securities (《中信證券黨委會議紀要》) (No. 23, 2024);
7. Minutes for the Meeting of the Party Committee of the CITIC Securities (《中信證券黨委會議紀要》) (No. 21, 2024).

### ***(II) Legal and regulation basis***

1. Asset Appraisal Law of the People's Republic of China (《中華人民共和國資產評估法》) (adopted at the 21st meeting of the Standing Committee of the 12th National People's Congress on 2 July 2016);
2. Civil Code of the People's Republic of China (《中華人民共和國民法典》) (adopted at the third session of the 13th National People's Congress on 28 May 2020);
3. Law of the People's Republic of China on State-owned Assets in Enterprises (《中華人民共和國企業國有資產法》) (adopted at the fifth meeting of the Standing Committee of the 11th National People's Congress on 28 October 2008);
4. The Administrative Measures for the Financial Supervision and Administration of the Asset Appraisal Industry (issued under Decree No. 86 of the Ministry of Finance, and revised under Decree No. 97 of the Ministry of Finance) (《資產評估行業財政監督管理辦法》(財政部令第86號, 財政部令第97號修訂));
5. The Administrative Measures for the Supervision and Administration of Enterprise State-owned Assets Transactions (State-owned Assets Supervision and Administration Commission and Ministry of Finance Order No. 32) (《企業國有資產交易監督管理辦法》(國資委、財政部令第32號));
6. The Administrative Measures for the Transfer of State-owned Assets of Financial Enterprise (Ministry of Finance Order No. 54) (《金融企業國有資產轉讓管理辦法》(財政部令第54號));
7. Interim Measures for the Supervision and Administration of State-Owned Asset Valuation of Financial Enterprises (Ministry of Finance Order No. 47) (《金融企業國有資產評估監督管理暫行辦法》(財政部令第47號));
8. Notice of Issues concerning the Supervision and Administration of Assessment of State-owned Assets of Financial Enterprises (Cai Jin [2011] No. 59) (《關於金融企業國有資產評估監督管理有關問題的通知》(財金[2011]59號));



9. Accounting Standards for Business Enterprises – Basic Standards (Decree No. 33 of the Ministry of Finance) (《企業會計準則—基本準則》(財政部令第33號)), Decision of the Ministry of Finance on the Revision of the Accounting Standards for Business Enterprises – Basic Standards (Decree No. 76 of the Ministry of Finance) (《財政部關於修改<企業會計準則—基本準則>的決定》(財政部令第76號)).

### **(III) Basis of valuation standards**

1. Basic Standards for Assets Appraisal (Cai Zi [2017] No. 43) (《資產評估基本準則》(財資[2017] 43號));
2. Code of Ethics for Assets Appraisal (Zhong Ping Xie [2017] No. 30) (《資產評估職業道德準則》(中評協[2017] 30號));
3. Practice Standards for Assets Appraisal – Asset Appraisal Reports (Zhong Ping Xie [2018] No. 35) (《資產評估執業準則—資產評估報告》(中評協[2018] 35號));
4. Practice Standards for Assets Appraisal – Asset Appraisal Procedures (Zhong Ping Xie [2018] No. 36) (《資產評估執業準則—資產評估程序》(中評協[2018] 36號));
5. Practice Standards for Assets Appraisal – Asset Appraisal Entrustment Contract (Zhong Ping Xie [2017] No. 33) (《資產評估執業準則—資產評估委託合同》(中評協[2017] 33號));
6. Practice Standards for Assets Appraisal – Asset Appraisal Files (Zhong Ping Xie [2018] No. 37) (《資產評估執業準則—資產評估檔案》(中評協[2018] 37號));
7. Practice Standards for Assets Appraisal – Utilizing Expert Work and Related Reports (Zhong Ping Xie [2017] No. 35) (《資產評估執業準則—利用專家工作及相關報告》(中評協[2017] 35號));
8. Practice Standards for Assets Appraisal – Enterprise Value (Zhong Ping Xie [2018] No. 38) (《資產評估執業準則—企業價值》(中評協[2018] 38號));
9. Guidelines of the Appraisal Report on State-owned Assets of Financial Enterprises (Zhong Ping Xie [2017] No. 43) (《金融企業國有資產評估報告指南》(中評協[2017] 43號));
10. Quality Control Guidance on the Business of Asset Appraisal Agency (Zhong Ping Xie [2017] No. 46) (《資產評估機構業務質量控制指南》(中評協[2017] 46號));
11. Guiding Opinions on Types of Value under Asset Appraisal (Zhong Ping Xie [2017] No. 47) (《資產評估價值類型指導意見》(中評協[2017] 47號));
12. Guiding Opinions on Legal Ownership of Asset Appraisal Object (Zhong Ping Xie [2017] No. 48) (《資產評估對象法律權屬指導意見》(中評協[2017] 48號));
13. Practice Standards for Assets Appraisal – Asset Appraisal Approaches (Zhong Ping Xie [2019] No. 35) (《資產評估執業準則—資產評估方法》(中評協[2019] 35號));
14. Glossary for Asset Appraisal Standards (2020) (Zhong Ping Xie [2020] No. 31) (《資產評估標準術語2020》(中評協[2020] 31號)).

### **(IV) Ownership basis**

1. Other relevant title certificates.

**(V) Basis of price determination**

1. Financial Rules for Basic Construction (《基本建設財務規則》) (Decree No. 81 of the Ministry of Finance of the PRC, effective from 1 September 2016);
2. Foreign exchange rates and the loan prime rate (LPR) quoted from the market as at the valuation benchmark date;
3. Quotation Manual of Mechanical and Electrical Products (《機電產品報價手冊》) (2023);
4. financial statements and audit reports of previous years provided by the enterprise ;
5. future annual business plans provided by relevant departments of the enterprise ;
6. current and future annual market forecast data of main products provided by the enterprise ;
7. other relevant appraisal information recorded and collected by appraisers during field investigation;
8. other information related to this asset valuation.

**(VI) Other references**

1. Asset Appraisal Expert Guidance No. 8 – Inspection and Verification of Asset Appraisal (Zhong Ping Xie [2019] No. 39) (《資產評估專家指引第8號—資產評估中的核查驗證》(中評協[2019] 39號));
2. Asset Appraisal Expert Guidance No. 12 – Calculation of Discount Rate in the Value of Enterprises Appraised under the Income Approach (Zhong Ping Xie [2020] No. 38) (《資產評估專家指引第12號—收益法評估企業價值中折現率的測算》(中評協[2020] 38號));
3. the list of assets and valuation declaration form provided by the assessed entity;
4. the audit report issued by BDO Limited;
5. the database of China Enterprise Appraisals Consultation Co., Ltd.

**VII. Valuation Approaches**

The valuation approaches adopted in this valuation are the income approach and asset-based approach.

The income approach is a general term for various valuation approaches that capitalise or discount the expected income of the target of appraisal to determine its value. In this valuation, within the income approach category, the discounted cash flow approach has been used to appraise the overall enterprise value, thereby indirectly determining the value of the entire shareholders' equity.

The market approach is a general term for appraisal methods that determine the value of an target of appraisal based on the market price of comparable companies by comparing the target of appraisal with comparable companies. The listed company comparison approach in the market approach has been adopted for the current valuation. This approach refers to the valuation method of obtaining and analyzing the operating and financial data of comparable listed companies, calculating the value ratios and determining the value of the appraised enterprise based on a comparative analysis with the appraised enterprise.

Asset-based approach refers to the valuation method that uses the balance sheet of the assessed entity or operating entity as at the valuation benchmark date as the basis for assessing the value of each of the assets and liabilities that can be identified both on- and off-balance-sheet to determine the value of the target of appraisal.

Practice Standards for Assets Appraisal – Enterprise Value (《資產評估執業準則—企業價值》) stipulate that in performing an enterprise value appraisal, the valuation method should be selected by analyzing the applicability of the three basic methods, namely the income approach, the market approach and the asset-based approach, based on the appraisal purpose, the target of appraisal, the type of value and the collection of information. Where it is appropriate to adopt different valuation methods for enterprise value appraisal, asset appraisal professionals shall adopt two or more valuation methods for the appraisal.

Based on the relevant conditions such as the purpose of the appraisal, the target of appraisal, the type of value, the collection of information and the conditions applicable to the three basic methods of appraisal, the appraisers' understanding of the current status of CLSA Premium Limited's operations and its business plans, as well as the analysis of the relevant industries on which it relies, the conditions are met for the appraisal to be conducted using the income approach. At the same time, the conditions for the adoption of the asset-based approach have also been met as the assessed entity has complete financial information and asset management information to utilize, and there are wide sources of data and information relating to the reacquisition cost of assets. In addition, the prerequisite for the adoption of the market approach is the existence of a well-developed, fair and active open market with more adequate market data and comparable transaction cases in the open market. The appraisers have found through market research that reference enterprises or transaction cases comparable to the assessed entity in terms of enterprise scale, business model and operating status are difficult to obtain, and it is not appropriate to adopt the market approach for this appraisal.

As a result of the above analysis, the income approach and asset-based approach were adopted for the current valuation.

#### **(I) The income approach**

This time, the discounted cash flow approach in the income approach is used to evaluate the overall enterprise value to indirectly obtain the value of all shareholders' equity. The overall enterprise value is composed of the value of operating assets generated from normal business activities and the value of non-operating assets unrelated to normal business activities. The discounted free cash flow model of the enterprise is used to determine the value of operating assets, which is based on the free cash flow of the enterprise in the next few years, and is calculated by summing up after discounting with an appropriate discount rate.

The calculation model is as follows:

Value of total shareholders' equity = overall enterprise value – value of interest-paying debts

##### **1. Overall enterprise value**

The overall enterprise value is the sum of the value of all shareholders' equity and the value of interest-paying debts. The formula for calculating the overall enterprise value, based on the configuration and utilization of the assets of the assessed entity, is as follows:

Overall enterprise value = value of operating assets + value of surplus assets + value of non-operating assets – value of non-operating liabilities

(1) Value of operating assets

Operating assets are assets and liabilities related to the production and operation of the assessed entity and involved in the forecast of free cash flow of the enterprise after the valuation benchmark date. The formula for calculating the value of operating assets is set out below:

$$P = \sum_{i=1}^n \frac{F_i}{(1+r)^i} + \frac{F_n \times (1+g)}{(r-g) \times (1+r)^n}$$

Where:

P : the value of the enterprise's operating assets as at the valuation benchmark date;

F<sub>i</sub> : the expected free cash flow of the enterprise in year i after the valuation benchmark date;

F<sub>n</sub> : the expected free cash flow of the enterprise in the last year of the detailed forecast period;

r : Discount rate (in this case the weighted average cost of capital, WACC);

n : Detailed forecast period;

i : Year i of the detailed forecast period;

g : Perpetual growth rate.

Of which, the formula for calculating the free cash flow of the enterprise is as follows:

Enterprise free cash flow = net profit before interest but after taxes + depreciation and amortization – capital expenditures – increase in working capital

Of which, the discount rate (weighted average cost of capital, WACC) is calculated as follows:

$$WACC = K_e \times \frac{E}{E+D} + K_d \times (1-t) \times \frac{D}{E+D}$$

Where:

k<sub>e</sub> : cost of equity capital;

k<sub>d</sub> : cost of interest-paying debt capital;

E : market value of equity;

D : market value of interest-paying debts;

t : income tax rate.

Of which, the cost of equity capital is calculated using the Capital Asset Pricing Model (CAPM). The calculation formula is as follows:

$$K_e = r_f + MRP \times \beta_L + r_c$$

Where:

r<sub>f</sub> : risk-free rate of return;

MRP : market risk premium;

β<sub>L</sub> : systematic risk factor for equity;

r<sub>c</sub> : Enterprise-specific risk adjustment factor.

(2) Value of surplus assets

Surplus assets are assets that are in excess of the requirements for the production and operation of the enterprise as at the valuation benchmark date and are not covered by the enterprise's free cash flow forecast after the valuation benchmark date. Surplus assets are analyzed and appraised separately.

(3) Value of non-operating assets and liabilities

Non-operating assets and liabilities are assets and liabilities not related to the production and operation of the assessed entity and not involved in the forecast of free cash flow of the enterprise after the valuation benchmark date. Non-operating assets and liabilities are analyzed and appraised separately.

**2. Value of interest-paying debts**

Interest-paying debts are liabilities on which the assessed entity is required to pay interest as at the valuation benchmark date. Interest-paying liabilities are valued at their verified book value.

***(II) Asset-based approach***

**1. Current assets**

- (1) The appraised value of cash and bank balances, including bank deposits, are determined based on the verified value by verifying bank statements and certified public accountants' letters.
- (2) For accounts receivable, prepayments and other receivables, the appraisers investigate the reasons for the formation of the accounts receivable from the assessed entity and determine the appraised value on the basis of the probable amount to be recovered for each receivable. For those accounts receivable for which there were sufficient reasons to believe that they could all be recovered, the appraised value is calculated on the basis of the entire amount of receivables; for those accounts receivable for which there was a high probability that part of the amount would not be recovered, when it was difficult to ascertain the amount of the uncollectible amount of the accounts receivable, with the assistance of the historical information and the on-site investigation, the specific analysis shall be made to determine the amount, time and reason for the non-payment of the amount, the recovery of the amount, the funds of the defaulters, their creditworthiness, and their current status of operation and management, etc. In accordance with the ageing analysis method, this portion of probable uncollectible amounts is estimated and deducted as risk loss to calculate the appraised value.

**2. Long-term equity investment**

The income approach is a general term for various valuation approaches that capitalise or discount the expected income of the target of appraisal to determine its value. In this valuation, among the income approach category, the discounted cash flow approach has been used to appraise the overall enterprise value to indirectly obtain the value of the entire shareholders' equity.

The market approach is a general term for appraisal methods that determine the value of an target of appraisal based on the market price of comparable companies by comparing the target of appraisal with comparable companies. The listed company comparison approach in the market approach has been adopted for the current valuation. The listed company comparison approach refers to the valuation method of obtaining and analyzing the operating and financial data of comparable listed companies, calculating the value ratios and determining the value of the assessed entity based on a comparative analysis with the assessed entity.

Asset-based approach refers to the valuation method that uses the balance sheet of the assessed entity or operating entity as at the valuation benchmark date as the basis for assessing the value of each of the assets and liabilities that can be identified both on- and off-balance-sheet to determine the value of the target of appraisal.

Practice Standards for Assets Appraisal – Enterprise Value (《資產評估執業準則—企業價值》) stipulate that when conducting enterprise value appraisal, the valuation method should be selected by analyzing the applicability of the three basic methods, namely the income approach, the market approach and the asset-based approach, based on the appraisal purpose, the target of appraisal, the type of value and the collection of information. Where it is appropriate to adopt different valuation methods for enterprise value appraisal, asset appraisal professionals shall adopt two or more valuation methods for the appraisal.

For the overall valuation of wholly-owned and controlling long-term equity investments, the value of the entire shareholders' equity of the investee was firstly assessed and then multiplied by the shareholding percentages to arrive at the value of the partial shareholders' equity. Details of the valuation method adopted for the overall valuation of the investee and the rationale and basis for the selection of the valuation method are set out in the corresponding valuation technical sub-notes.

A summary of whether each investee was appraised in its entirety and the valuation method used is set forth below:

No.	Name of the investee	Whether an overall assessment is conducted	Valuation method(s) adopted	Valuation method(s) selected in the conclusion
1	CLSA Premium New Zealand Limited	Yes	asset-based approach, consolidated income approach	asset-based approach
2	CLSA Premium Pty Limited	Yes	asset-based approach, consolidated income approach	asset-based approach
3	CLSA Premium International (HK) Limited	Yes	asset-based approach, consolidated income approach	asset-based approach
4	CLSA Premium Bullion Limited	Yes	asset-based approach, consolidated income approach	asset-based approach
5	Yorkastle Capital Limited	Yes	asset-based approach, consolidated income approach	asset-based approach
6	LXL Capital I Limited	Yes	asset-based approach, consolidated income approach	asset-based approach

### 3. Liabilities

Liabilities include accounts payable. The appraisers verify the book value based on the detailed list of each item and relevant financial information provided by the enterprise, and determine the appraisal value based on the actual liabilities that the enterprise should bear.



## **VIII. The implementation process and status of the appraisal procedure**

The appraisers implemented the appraisal from 20 May 2024 to 3 September 2024 on the assets involved in the target of appraisal. The implementation process and status of the major appraisal procedures are set out below:

### ***(I) Acceptance of the engagement***

On 20 May 2024, we reached an agreement with the principal on the fundamental aspects of the appraised business, including the purpose, target, and scope of the appraisal, the valuation benchmark date, and the rights and obligations of the parties, and prepared the corresponding appraisal plan in consultation with the principal.

### ***(II) Preliminary preparations***

After accepting the engagement, our project team drew up a specific appraisal work plan and formed an appraisal team according to the purpose of the appraisal, the characteristics of the target of appraisal and the time frame. At the same time, a list of information required for the appraisal and a declaration form was prepared according to the actual needs of the project.

### ***(III) On-site investigation***

The appraisers conducted necessary check and verification on the assets and liabilities involved in the target of appraisal, and necessary investigation on the operating and management status of the assessed entity from 20 May 2024 to 10 June 2024.

#### **1. Asset verification**

##### **(1) Instructing the assessed entity to complete forms and prepare information to be provided to the appraisal agency**

The appraisers instructed the financial and asset management personnel of the appraisal entity to fill in the detailed and accurate reports on the assets included in the scope of appraisal in accordance with the “Detailed Asset Appraisal Sheets” provided by the appraisal agency, its filling-in requirements and the list of information on the basis of their own asset inventories, and at the same time, collected and prepared the documents proving ownership of the assets and the documents reflecting the performance, condition, economic, and technical indicators of the assets.

##### **(2) Initial review and refinement of Detailed Asset Appraisal Sheets completed by the assessed entity**

The appraisers reviewed relevant documentation to understand the details of specific assets included in the scope of appraisal. The appraisers then carefully examined various types of “Detailed Asset Appraisal Sheets” for completeness, accuracy, clarity and other status of asset descriptions. Drawing on their experience and available information, the appraisers checked for any omissions in the forms and provided feedback to the assessed entity to enhance the “Detailed Asset Appraisal Sheets” as necessary.

##### **(3) On-site field surveys**

In accordance with the type, quantity and distribution of assets included in the scope of appraisal, the appraisers, with the cooperation of the relevant personnel of the assessed entity and in accordance with the relevant provisions of the asset appraisal standards, conducted on-site surveys of each asset and adopted different survey methods for different asset properties and characteristics.

##### **(4) Additions, modifications and refinements to the Detailed Asset Appraisal Sheets**

Based on the results of the on-site field surveys and adequate communication with the relevant personnel of the assessed entity, the appraisers further improved the “Detailed Asset Appraisal Sheets” to achieve consistency between the accounts, tables and facts.

(5) Inspection of documentary evidence of title

The appraisers checked the purchase invoices and purchase contract documents of the equipment included in the scope of the appraisal, and in the case of incomplete information on ownership and unclear ownership, the appraisers draw the enterprise's attention to the verification or the issuance of the relevant property rights description documents.

**2. Due diligence investigation**

The appraisers have conducted the necessary investigations in order to fully understand the operating and management conditions of the assessed entity and the risks it faces. The main contents of the investigation are set out as follows:

- (1) The history of the assessed entity, major shareholders and their shareholding ratios, necessary property rights and business management structure;
- (2) The asset, financial, production and operation management status of the assessed entity;
- (3) Information on the assessed entity's business plans, development plans and financial projections;
- (4) Previous appraisals and transactions of the target of appraisal and the assessed entity;
- (5) Macro and regional economic factors affecting the production and operation of the assessed entity;
- (6) The development status and prospects of the industry in which the assessed entity is located;
- (7) Other relevant information materials.

**(IV) Data collection**

The appraisers have collected appraisal information in accordance with the specific circumstances of the appraisal project, including information independently obtained directly from the market and other channels, information obtained from relevant parties, such as the principal, and information obtained from government departments, various professional bodies and other relevant departments, and have conducted the necessary analysis, summarization and collation of the appraisal information collected so as to form the basis for the appraisal and estimation.

**(V) Appraisal estimates**

Based on the specific circumstances of each type of assets and the selected valuation methods, the appraisers selected corresponding formulas and parameters for analysis, calculation and judgment, and formed preliminary valuation conclusions. The project leader summarized the preliminary conclusions of the various types of asset appraisal, wrote and formed a preliminary asset valuation report.

**(VI) Internal review**

In accordance with the provisions of our valuation business process management approach, the project leader submits the preliminary asset valuation report upon completion to the Company for internal review. After completion of the internal review, the project leader would communicate with the principal or other relevant parties agreed by the principal on the relevant contents of the asset valuation report on the premise of not affecting the independent judgment on the appraisal conclusion. Upon completion of the above asset appraisal procedures, a formal asset valuation report is issued and submitted.

## **IX. Appraisal assumptions**

Asset appraisal is in fact an act of judging the value of an asset using a simulated market. In the face of the ever-changing market and the ever-changing factors affecting the value of assets, it is necessary to temporarily “freeze” the market conditions and various factors affecting the value of assets in a certain state with the help of appropriate assumptions so as to enable the asset evaluator to make value judgments. The appraisal assumptions for this project are divided into premise assumptions, general assumptions and special assumptions. The assumptions are summarized below:

### ***(I) Premise assumptions***

#### **1. Transaction assumption**

Transaction assumption assumes that all the assets to be valued are already in the process of transaction, and the appraisal carries out the valuation based on a simulated market which involves the transaction conditions of the assets to be valued. Transaction assumption is the most basic premise assumption for asset valuation.

#### **2. Open market assumption**

Open market assumption assumes that the assets to be valued are traded or intended to be traded on the market, and both of the parties to the transaction of the assets are in equal position and have enough opportunities and time to obtain market information so as to make rational judgment on the functions, purpose and transaction price of the assets. The open market assumption is based on the assumption that assets can be bought and sold openly in the market.

#### **3. Going concern assumption**

The going concern assumption assumes that the operating activities of the assessed entity will continue in the foreseeable future, that it will not, and does not have to, terminate its operations or go into bankruptcy and liquidation, and that it will be able to realize its assets and settle its liabilities in the normal course of business.

### ***(II) General assumptions***

1. It is assumed that there are no significant changes in the political, economic and social environment of the countries and regions in which the assessed entity is located after the valuation benchmark date;
2. It is assumed that there are no significant changes in national macroeconomic policies, industrial policies and regional development policies after the valuation benchmark date;
3. It is assumed that there are no substantial changes in such indicators as interest rates, exchange rates, tax bases, tax rates and policy based levies related to the assessed entity after the valuation benchmark date;
4. It is assumed that the management of the assessed entity after the valuation benchmark date is responsible, stable and capable of performing their duties;
5. It is assumed that the assessed entity is fully in compliance with all relevant laws and regulations;
6. It is assumed that there will be no force majeure having a material adverse impact on the assessed entity after the valuation benchmark date.

### ***(III) Special assumptions***

1. It is assumed that the accounting policies to be adopted by the assessed entity after the valuation benchmark date and the accounting policies adopted at the time of preparing the valuation reports are consistent in material aspects;
2. It is assumed that the assessed entity's scope and mode of operation after the valuation benchmark date are consistent with current orientation on the basis of the existing management method and management standard;
3. It is assumed that the cash inflow and cash outflow of the assessed entity after the valuation benchmark date are uniform;
4. It is assumed that the products or services of the assessed entity will maintain their current competitive advantages in the market after the valuation benchmark date;
5. It is assumed that the existing business contracts of the assessed entity can be realized as scheduled, and that there will be no significant changes in the main business, product mix, and sales strategy and cost control;
6. It is assumed that there will be no significant changes in the personnel of the assessed entity during the forecast period;
7. There are no significant contingent liabilities arising from external guarantees or other matters during the life of the enterprise;
8. In the future, the enterprise will maintain its current revenue collection methods and credit policy and will not encounter any significant recovery problems.

The valuation conclusion in this asset valuation report was effective as at the valuation benchmark date on the aforesaid assumptions. We and the signing asset appraisers disclaimed any responsibility for different valuation conclusion arising from any significant change in the aforesaid assumptions.

## **X. Valuation conclusions**

### ***(I) Valuation results of the income approach***

The book value of the total assets of the parent company of CLSA Premium Limited was HK\$416,917,500 (equivalent to RMB377,819,000). The book value of the total liabilities of the parent company was HK\$320,398,500 (equivalent to RMB290,351,500). The book value of net assets of the parent company was HK\$96,519,000 (equivalent to RMB87,467,400).

The book value of the consolidated total assets of CLSA Premium Limited was HK\$251,773,500 (equivalent to RMB228,162,200). The book value of the consolidated total liabilities was HK\$11,909,900 (equivalent to RMB10,793,000). The book value of net assets attributable to the parent company was HK\$239,863,600 (equivalent to RMB217,369,200).

The value of the entire shareholders' equity after valuation under the income approach was HK\$238,412,000 (equivalent to RMB216,053,700), with an impairment of HK\$1,453,000 (equivalent to RMB1,316,800), representing an impairment rate of 0.61%.

## (II) Valuation results of the asset-based approach

The book value of the consolidated total assets of CLSA Premium Limited was HK\$251,773,500 (equivalent to RMB228,162,200). The book value of the consolidated total liabilities was HK\$11,909,900 (equivalent to RMB10,793,000). The book value of net assets attributable to the parent company was HK\$239,863,600 (equivalent to RMB217,369,200). The value of the entire shareholders' equity after valuation under the asset-based approach was HK\$244,984,700 (equivalent to RMB222,010,000), with an appreciation of HK\$5,119,700 (equivalent to RMB4,639,600), representing an appreciation rate of 2.13%.

The book value of the total assets of the parent company of CLSA Premium Limited was HK\$416,917,500 (equivalent to RMB377,819,000), and the appraised value was HK\$565,383,200 (equivalent to RMB512,361,600), with an appreciation of HK\$148,465,700 (equivalent to RMB134,542,600), representing an appreciation rate of 35.61%. The book value of the total liabilities of the parent company amounted to HK\$320,398,500 (equivalent to RMB290,351,500), and the appraised value was HK\$320,398,500 (equivalent to RMB290,351,500), with no increase or decrease in value. The book value of the net assets of the parent company amounted to HK\$96,519,000 (equivalent to RMB87,467,400), and the appraised value was HK\$244,984,700 (equivalent to RMB222,010,000), with an appreciation of HK\$148,465,700 (equivalent to RMB134,542,600), representing an appreciation rate of 153.82%.

The specific valuation results of the parent company's asset-based approach are detailed in the following summary of valuation results:

### Summary of the valuation results of the asset-based approach

Valuation benchmark date: 31 December 2023

Amount unit: HK\$0'000

Item		Book value A	Appraised value B	Increase or decrease in value C=B-A	Appreciation rate % D=C/A × 100%
Current assets	1	18,091.57	19,776.80	1,685.23	9.32
Non-current assets	2	23,600.18	36,761.52	13,161.34	55.77
Of which: Long-term equity investment	3	23,600.18	36,761.52	13,161.34	55.77
Investment real estates	4	0.00	0.00	0.00	
Fixed assets	5	0.00	0.00	0.00	
Construction in progress	6	0.00	0.00	0.00	
Oil and gas assets	7	0.00	0.00	0.00	
Intangible assets	8	0.00	0.00	0.00	
Of which: Land use rights	9	0.00	0.00	0.00	
Other non-current assets	10	0.00	0.00	0.00	
<b>Total assets</b>	<b>11</b>	<b>41,691.75</b>	<b>56,538.32</b>	<b>14,846.57</b>	<b>35.61</b>
Current liabilities	12	32,039.85	32,039.85	0.00	0.00
Non-current liabilities	13	0.00	0.00	0.00	
<b>Total liabilities</b>	<b>14</b>	<b>32,039.85</b>	<b>32,039.85</b>	<b>0.00</b>	<b>0.00</b>
<b>Net assets</b>	<b>15</b>	<b>9,651.90</b>	<b>24,498.47</b>	<b>14,846.57</b>	<b>153.82</b>

## Summary of the valuation results of the asset-based approach

Valuation benchmark date: 31 December 2023

Amount unit: RMB0'000

Item		Book value A	Appraised value B	Increase or decrease in value C=B-A	Appreciation rate % D=C/A × 100 %
Current assets	1	16,394.94	17,922.13	1,527.19	9.32
Non-current assets	2	21,386.96	33,314.02	11,927.07	55.77
Of which: Long-term equity investment	3	21,386.96	33,314.02	11,927.07	55.77
Investment real estates	4	0.00	0.00	0.00	
Fixed assets	5	0.00	0.00	0.00	
Construction in progress	6	0.00	0.00	0.00	
Oil and gas assets	7	0.00	0.00	0.00	
Intangible assets	8	0.00	0.00	0.00	
Of which: Land use rights	9	0.00	0.00	0.00	
Other non-current assets	10	0.00	0.00	0.00	
<b>Total assets</b>	<b>11</b>	<b>37,781.90</b>	<b>51,236.16</b>	<b>13,454.26</b>	<b>35.61</b>
Current liabilities	12	29,035.15	29,035.15	0.00	0.00
Non-current liabilities	13	0.00	0.00	0.00	
<b>Total liabilities</b>	<b>14</b>	<b>29,035.15</b>	<b>29,035.15</b>	<b>0.00</b>	<b>0.00</b>
<b>Net assets</b>	<b>15</b>	<b>8,746.74</b>	<b>22,201.00</b>	<b>13,454.26</b>	<b>153.82</b>

### (III) Valuation conclusion

The value of the entire shareholders' equity after valuation under the income approach was HK\$238,412,000 (equivalent to RMB216,053,700), and the value of the entire shareholders' equity after valuation under the asset-based approach was HK\$244,984,700 (equivalent to RMB222,010,000), with a difference of HK\$6,572,700 (equivalent to RMB5,956,400), representing a difference rate of 2.68%.

After analysis, the appraisers are of the view that the certain differences between the two approaches are reasonable. The asset-based approach is to reflect the market price of shareholders' input from the perspective of asset purchase and establishment, and the values of assets and inventories related to the relatively complete configuration of the enterprise's assets are reflected in the asset-based approach, whereas the forecasts in the income approach are determined based on macro policies, market expectations and the comprehensive operation of the enterprise, and the enterprise is currently in the initial stage of transformation, with large fluctuations in historical annual revenue and profits and many uncertain factors in future profitability. Therefore, the valuation results of the asset-based approach can reasonably reflect the market value of the enterprise.

Based on the above analysis, the valuation conclusion of this asset valuation report adopts the valuation result of the asset-based approach, namely the valuation result of the value of the entire shareholders' equity of CLSA Premium Limited was HK\$244,984,700 (equivalent to RMB222,010,000).



## **XI. Statement of special matters**

The following matters that have been identified in the course of the appraisal may affect the conclusion of the appraisal but are beyond the level of practice and professional competence of the appraisers to assess and estimate:

- (I) In this asset valuation report, all tables or textual expressions with amounts in ten thousand dollars, if there is any tailing difference between the total number of counts and the sum of the values of each sub-item, it is due to rounding.
- (II) The appraisal has utilized the audit report issued by BDO Limited. According to Article 12 of the Practice Standards for Assets Appraisal – Enterprise Value (《資產評估執業準則—企業價值》), an asset valuation professional has analyzed and made judgments on the financial statements in accordance with the requirements for the use of financial statements under the valuation method adopted, but it is not the responsibility of the asset valuation professional to express a professional opinion as to whether or not the relevant financial statements present fairly the financial position as at the valuation benchmark date, and the results of operations and cash flows for the current period.

Users of the asset valuation report should pay attention to the impact of the above special matters on the valuation conclusion.

## **XII. Statement of limitations on the use of asset valuation report**

### ***(I) Scope of use of the asset valuation report***

- 1. The users of the asset valuation report shall be: the principal and the users of the asset valuation report as prescribed by national laws and administrative regulations.
  - 2. The appraisal conclusions revealed in the asset valuation report are valid only for the economic behavior corresponding to this project.
  - 3. The validity period for the use of the appraisal conclusions in an asset valuation report shall be one year from the valuation benchmark date. The principal or other user of the asset valuation report shall use the asset valuation report within the validity period for the use of the appraisal conclusions stated therein.
  - 4. Without the written permission of the principal, an asset appraisal agency and its asset appraisal professionals shall not provide or disclose the contents of an asset valuation report to a third party, except as otherwise provided for by laws and administrative regulations.
  - 5. Without the consent of the asset appraisal agency, the contents of the asset valuation report shall not be excerpted, quoted or disclosed in the public media, except as provided for by laws and administrative regulations and otherwise agreed by the relevant parties.
- (II)*** An asset appraisal agency and its asset appraisal professionals shall not be liable if a principal or other user of an asset valuation report fails to use the asset valuation report in accordance with the provisions of laws and administrative regulations and the scope of use set out in the asset valuation report.
- (III)*** Except for the principal, other users of the asset valuation report as agreed upon in the asset appraisal entrustment contract and the users of the asset valuation report stipulated by laws and administrative regulations, any other organization or individual cannot become the user of the asset valuation report.
- (IV)*** The user of the asset valuation report shall correctly understand and use the appraisal conclusion, which is not equivalent to the realizable price of the target of appraisal, and the appraisal conclusion shall not be regarded as a guarantee of the realizable price of the target of appraisal.

- (V) An asset valuation report refers to a professional report issued by an asset appraisal agency on the value of an target of appraisal for a specific purpose at the valuation benchmark date after the asset appraisal agency and its asset appraisal professionals have complied with the requirements of the laws, administrative regulations and asset appraisal standards and have performed the necessary appraisal procedures in accordance with the engagement. This report shall be signed by the asset appraisers undertaking the appraisal business and stamped with the official seal of the appraisal agency, and shall only be formally used after it has been filed with the state-owned assets supervisory and management authorities or the enterprises funded;

### **XIII. Date of the asset valuation report**

This asset valuation report is dated 3 September 2024.

Asset appraiser: 李學奇

Asset appraiser: 李博

China Enterprise Appraisals Consultation Co., Ltd.

3 September 2024

## APPENDICES TO THE ASSET VALUATION REPORT

Appendix I:	Document(s) of economic behavior corresponding to the purpose of the assessment;
Appendix II:	Special audit report of the assessed entity;
Appendix III:	Business licenses of the principal and the assessed entity;
Appendix IV:	Document of ownership of the assessed entity;
Appendix V:	Letters of commitment from the principal and other interested parties;
Appendix VI:	Letter of commitment from the undersigned asset appraiser;
Appendix VII:	A copy of the qualification certificate of asset appraisal of China Enterprise Appraisals Consultation Co., Ltd.;
Appendix VIII:	The announcement of filing of China Enterprise Appraisals Consultation Co., Ltd.;
Appendix IX:	A copy of the duplicate of business license of China Enterprise Appraisals Consultation Co., Ltd.;
Appendix X:	A copy of the registration card of the professional qualification certificate of the asset appraiser;
Appendix XI:	The asset appraisal entrustment contract.

## LETTER OF COMMITMENT OF THE ASSET APPRAISER

CITIC Securities International Company Limited:

As engaged by your entity, we have conducted an appraisal of the value of the entire shareholders' equity interest in CLSA Premium Limited in connection with the proposed transfer of the equity interest in CLSA Premium Limited by your entity, taking 31 December 2023 as the benchmark date and formed an asset valuation report. On the premise that the assumptions disclosed in this report are valid, we undertake as follows:

- I. We possess the appropriate professional qualifications;
- II. The target and scope of appraisal are consistent with the agreement in the asset appraisal entrustment contract;
- III. Necessary verification of the target of appraisal and the assets to which it relates has been carried out;
- IV. The valuation methods have been selected in accordance with the asset valuation standards and relevant valuation norms;
- V. Adequate consideration has been given to the factors affecting the appraised value;
- VI. The valuation conclusions are reasonable;
- VII. The valuation works were conducted free from interference and on an independent manner.

Asset appraiser: 李學奇

Asset appraiser: 李博

3 September 2024

*The following is the full text of the valuation report prepared for the purpose of incorporation in this announcement by Odysseus Capital Asia Limited in connection with its valuation of the entire shareholders' equity of the Company as of 31 December 2024.*

**The Directors**

CLSA Premium Limited  
Suite 810, Level 8,  
One Pacific Place,  
88 Queensway,  
Hong Kong

18 February 2025

Dear Sirs

**VALUATION OF 100% EQUITY INTEREST IN CLSA PREMIUM LIMITED AND ITS SUBSIDIARIES**

As per your instructions, we have carried out a valuation on behalf of CLSA Premium Limited ("CLSA" or the "Company") to determine the fair value of 100% equity interest of CLSA Premium Limited and its subsidiaries (together referred to as the "Group") as of 31 December 2024 (the "Valuation Date") in connection with the mandatory general offer for the acquisition of the outstanding issued share capital of the Company (the "Offer") by the Offeror as set out in the joint announcement dated 18 February 2025 ("Announcement") relating to the Offer.

Terms used herein are the same as those defined in the Announcement unless stated otherwise. The valuation and findings in this report will only be applied to the aforementioned purpose.

**Basis of Valuation**

We conducted our valuation research using a fair value basis, which is defined by the Hong Kong Financial Reporting Standard as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price)".

Our valuation was conducted in compliance with Rule 11 of the Takeover Codes and the International Valuation Standards issued by the International Valuation Standards Council. We carried out our valuation after gathering all the information relating to the Offer and the Company that we considered necessary to give us sufficient evidence to support our opinions on the subject asset. The valuation report contains all of the information necessary to properly comprehend the valuation. Our valuation report's opinion on value is impartial, independent, and unbiased.

## Sources of Information

Our valuation research was conducted based on our various discussions with the Company's management during our engagement, as well as our study, evaluation, and reliance on the data supplied and publicly accessible sources. Important information sources include the following:

- the Company's announcements in relation to the disposal of the Company's shares and the Offer dated 15 July 2024 and 29 December 2024;
- the Share transfer agreement entered between the Company and the Offeror dated 18 February 2025;
- the unaudited condensed consolidated management accounts of the Company for the year ended 31 December 2024 ("**Management Accounts**");
- the audited financial statements for the years ended 31 December 2022 and 2023;
- the unaudited interim report for the six months ended 30 June 2023 and 2024 (the "**Interim Results**");
- the group chart of the Group; and
- the Strategic Cooperation Agreement (the "**Strategic Cooperation Agreement**") entered between the Company and Beijing Tong Ren Tang (Cayman) Limited ("**TRT International**") and CasMo Bio-tech (Guangdong) Co., Ltd. ("**CBC**") as disclosed in the Company's announcement dated 18 November 2022.

## The Company

Established in 2010, the Company was listed on the Growth Enterprises Market of the Stock Exchange of Hong Kong Limited ("**HKEX**") in 2013 and its listing was transferred to the main board in 2017 (Stock Code: 6877 HK). As of the date of this report, the Company was owned as to approximately 59.03% by CITIC Securities International Company Limited ("**CSI**"), 14.75% by KVB Holdings Limited and 5.23% by Hainan Province Cihang Foundation.

The Company is engaged in the distribution and sales of healthcare products and services across various markets, mainly in Hong Kong and the PRC. The Group operates a multifaceted business model in the healthcare sector, focusing on both B2B and B2C distribution channels, including a significant presence on popular short-form video platforms in the PRC.

The Company entered a strategic cooperation with TRT International and CBC as disclosed in the Company's announcement dated 24 October 2023 for the provision of original equipment manufacturing ("**OEM**")/original design manufacturing ("**ODM**") services in respect of its healthcare products. Within this partnership, TRT International offers brand support, while CBC provides product development advice. The Company is responsible for designing ODM products and serving as their global distributor. Leveraging its market knowledge, established distribution channels, and experienced marketing team, the Group oversees product promotion, distribution, and availability in Hong Kong and the PRC.

Following extensive market research, product design, and production planning, the first batch of ODM products was launched in February 2024 via B2B and B2C sales channels. The lineup includes 11 items formulated with traditional Chinese medicine (TCM) and incorporates CBC's Plant Low-temperature Extraction & Efficient Separation Integration Technology (PLEESIT). Key products include:

- (i) molecular Essence Drink with Ginseng and Hericium Monkey Head Mushroom;
- (ii) molecular Essence Drink with Ginseng and Cordyceps;
- (iii) molecular Essence Drink with Chrysanthemum and Blueberry;
- (iv) molecular Essence Drink with Lingzhi, Pueraria Root, and Chinese Wolfberry; and
- (v) molecular Essence Drink with Astragalus and Ginseng.



The following diagram summarizes the business model of the Company's sale and distribution of healthcare products (the “**Healthcare Business**”):



The Group's foreign exchange trading business has been completely discontinued since May 2023 and it currently has no other operating businesses other than the abovementioned healthcare business.

According to the Company's annual reports, the financial information of the Company for the years ended 31 December 2022 and 2023 are set out below:

<i>HK\$'000</i>	<b>31 December 2022</b> (audited)	<b>31 December 2023</b> (audited)
Profit attributable to the equity holders	(31,052)	9,842
Total Assets	284,310	251,775
Total Liabilities	53,510	11,910
Net assets attributable to equity holders of the Company	230,800	239,865

We have also reviewed the Management Accounts of the Company as of Valuation Date; key data are as follows:

<i>HK\$'000</i>	<b>31 December 2024</b> (unaudited)
Net cash position	205,171
Total assets	280,283
Total liabilities	35,776
Net assets attributable to equity holders of the Company	244,507

## **Valuation Approaches**

The value of an asset, business or business interest can be conducted by one or more of the three generally accepted valuation approaches: asset-based approach, market approach and income approach.

### ***Asset-Based Approach***

A general way of estimating the value of a business and/or equity interest using methods based on the market value of individual business assets less liabilities. It is founded on the principle of substitution, i.e. an asset is worth no more than it would cost to replace all of its constituent parts.

### ***Market Approach***

As a general way of estimating a value indication of an asset, the market approach considers the prices of similar assets recently paid, with adjustments made to the indicated market prices to reflect the condition and utility of the appraised asset relative to market comparables. For the market approach to be adopted, a sufficient number of comparable companies must be available for comparisons, along with the industry composition that is conducive in making such meaningful comparisons.

### ***Income Approach***

This approach focuses on the economic benefits generated by the income producing capability of an enterprise. The underlying theory of this approach is that the value of an enterprise can be measured by the present worth of the economic benefits to be received over the useful life of the business entity. Based on this valuation principle, the income approach estimates the future economic benefits and discounts these benefits to its present value using a discount rate appropriate for the risks associated with realizing these benefits.

### ***Selection of Valuation Approach***

The fair value of the Company can be assessed by using one or more of the abovementioned valuation approaches. Under each approach, there are a number of methods that can be used to determine the fair value of the Company. Each valuation method uses a specific procedure to calculate the value and not a single business valuation approach or method is definitive. In determining which method or methods to use in this valuation, we have held discussions with the management and have taken the business nature, the current financial position and the future prospective of the Company into consideration.

In this valuation, since the Group had no bank indebtedness and net cash position accounted for approximately HK\$205,171,000 of its consolidated net assets attributable to shareholders of the Company as of the Valuation Date, we considered that it is more appropriate to use the sum-of-the-parts valuation primarily based on the asset-based approach, supported by the market approach for valuing the Healthcare Business. Income approach, which requires financial projections for the Healthcare Business, was considered to be inappropriate as the Company is engaged in the sale and distribution of consumer products, the financial projections of such business would require considerable assumptions, including the future revenue growth, pricing, etc. which are difficult to predict and verify, and such information is in any case not available to us. In this regard, we relied on the sum-of-the-parts valuation comprising the asset-based approach and the market approach in determining the fair value of the Company.

## **General Assumptions**

Notwithstanding the incorporation of foreseeable changes in our valuation, a number of assumptions have been made in our valuation analysis and in the preparation of the reported assessed figures. The assumptions are:

- there will be no major changes in existing political, legal, fiscal or economic conditions in the country or district where the business is in operation;
- inflation, interest rates and currency exchange rates will not differ materially from those presently prevailing;
- there will be no major business disruptions through international crisis, diseases, industrial disputes, industrial accidents or severe weather conditions that will affect the existing business and the businesses of the Company's suppliers and distributors;
- there will be no major changes in the current taxation law in the areas in which the Company conducting its operation, including the rate of tax payable and all applicable laws and regulations remain unchanged;
- the Company will remain free from claims and litigation against the business or their customers that will have a material impact on value;
- the Company is unaffected by any statutory notice and that operation of the Company does not, and will not give rise to a contravention of any statutory requirements;
- the Company is not subject to any unusual or onerous restrictions or encumbrances;
- the account receivables and potential bad debt arising from the operation of the Company, if any, will not materially affect the business operations.

## **Valuation Methodologies**

### ***i) Asset-based Valuation***

The key balance sheet items of the Company based on the Management Accounts as of the Valuation Date are set out above.

As stated, the Company had no bank borrowings and had a net cash position of approximately HK\$205,171,000 which represented approximately 83.9 percent of the condensed consolidated net assets attributable to equity holders of the Company. The directors of the Company have confirmed that as of the Valuation Date, the above net cash position was entirely unencumbered, free from any pledges or liens or any financial obligations and was not allocated to support the Company's other operating businesses.

### ***ii) Market Approach***

In general, there are two methods under the market approach for valuing the Healthcare Business, namely the guideline merged and acquired company methods and the guideline publicly traded company method. The guideline merged and acquired company method is based on acquisitions and sales of entire companies, divisions or certain equity interests of either publicly traded or private companies. The guideline publicly traded company method is based on the adoption of valuation multiples that are drawn from companies traded in major stock exchanges to the fundamental data of the subject company.

In this valuation, we have adopted the guideline publicly traded company method as there are sufficient comparable companies in the marketplace. In determining the appropriate valuation multiples, we have considered using profitability ratios such as price to earnings multiple and enterprise value to earnings before interests, tax, depreciation and amortization multiple that are used commonly in the market approach. However, we have not utilized these valuation multiples because the Healthcare Business has only a relatively short history of operation, which has affected the stability of its revenue stream and profitability, and therefore it would be relatively difficult to determine the normalized earnings for valuation purposes. In this regard, we have utilized the price to book ratio ("**PB Ratio**") which we considered more appropriate in the current life cycle of the Healthcare Business.

### ***Net Book Value of Healthcare Business***

As set out above, total net assets attributable to shareholders of the Company and the net cash position of the Company as of the Valuation Date amounted to HK\$244,507,000 and HK\$205,171,000 respectively. Since the Company had no other major business other than the Healthcare Business, we would estimate that the Healthcare Business had a net asset value of approximately HK\$39,336,000 for the purpose of conducting the market approach valuation.

### ***Comparable Companies***

We have identified a list of comparable companies (“**Comparable Companies**”) based on the below criteria:

- they are listed on recognized stock exchange in Mainland China and Hong Kong with a market capitalization of not more than HK\$1,000,000,000 as of the Valuation Date;
- they have an active trading profile and positive net assets attributable to equity holders as of the Valuation Date;
- they engage in similar business activities as the Company, i.e. healthcare business; and
- they operate in a similar geography as the Company, i.e. Mainland China and Hong Kong.

There are no direct comparable companies which are solely engaged in the sale and distribution of healthcare products but we have selected the following Comparable Companies which we considered appropriate for comparison:

<b>Company Name</b>	<b>Stock Code</b>	<b>Descriptions</b>
Herbs Generation Group Holdings Limited (“ <b>Herbs Generation</b> ”)	2593 HK	Herbs Generation Group Holdings Limited operates in the health and wellness industry. The company develops and markets a range of health products, including ganoderma spore pollen, propolis extract, and other herbal supplements. Herbs Generation Group also engages in research and development to innovate new health solutions and expand its product offerings.
PuraPharm Corporation Limited	1498 HK	PuraPharm Corporation Limited operates in the traditional Chinese medicine (TCM) industry. The company specializes in the research, development, production, and marketing of concentrated Chinese medicine granules (CCMG) and other TCM products. PuraPharm also engages in the cultivation of Chinese medicinal herbs and operates a chain of TCM clinics.
Hin Sang Group (International) Holding Company Limited	6893 HK	Hin Sang Group (International) Holding Co. Ltd. focuses on children’s healthcare, Chinese medicines, and related projects. Established in 1996, it operates in Mainland China, Hong Kong, Macau, Taiwan, and Southeast Asia. The company offers design, manufacturing, marketing, sales, and logistics services, and actively participates in charity events.
Besunyen Holdings Company Limited	0926 HK	Besunyen Holdings Company Limited engages in the research, development, production, promotion, and sale of therapeutic tea products and pharmaceuticals. The company offers products like Besunyen Detox Tea and Besunyen Slimming Tea.

Company Name	Stock Code	Descriptions
Zhongzheng International Company Limited	0943 HK	Zhongzheng International Company Limited is an investment-holding company engaged in the manufacture, trade, and sale of healthcare and household products. The company operates through segments including property development, healthcare and household products, coal mining, money lending, and primary land development.
AUSupreme International Holdings Limited	2031 HK	AUSupreme International Holdings Limited engages in the retail and wholesale of health supplements and personal care products. The company offers a variety of products, including beauty and nutrition supplements, brain and eye development products, and children's health products.
Kunming Longjin Pharmaceutical Co., Ltd.	002750 SZ	Kunming Longjin Pharmaceutical Co., Ltd. develops medicines for cardiovascular, cerebrovascular, and metabolic diseases. Their products include digestive treatments, vitamins, minerals, enteral nutrition, immunology, first aid kits, and natural plant extracts like breviscapine, enhancing life quality through innovation.
Dali Pharmaceutical Co., Ltd.	603963 SH	Dali Pharmaceutical Co Ltd is involved in the production and sales of Chinese and western medicine injections. The company's main products include Xingnaojing injections and Shenmai injections. The other products include astragalus injections and mycorrhizal injections. Through its subsidiaries, it is also involved in the lease of offices and factory buildings, as well as the investment of equity.

### ***PB Ratio of the Comparable Companies***

In calculating the PB Ratio of the Comparable Companies, market capitalization of the Comparable Companies as of the Valuation Date were taken as numerator while net assets attributable to equity holders of the Comparable Companies from the latest available reporting date were taken as denominator.

The following table sets out the PB Ratio of the Comparable Companies as of the Valuation Date:

Company Name	PB Ratio
Herbs Generation	5.44
Purapharm Corporation Limited	1.67
Hin Sang Group (International) Holding Company Limited	1.43
Besunyen Holdings Company Limited	0.47
Zhongzheng International Company Limited	0.44
AUSupreme International Holdings Limited	0.92
Kunming Longjin Pharmaceutical Co., Ltd.	1.75
Dali Pharmaceutical Co., Ltd.	1.47
<b>Median</b>	<b>1.45</b>
<b>Average</b>	<b>1.70</b>

As set out in the table above, we believe it is inappropriate to include Herbs Generation in our comparable analysis as it is an outlier which was only listed a few days before the Valuation Date. We are of the opinion that its share price was greatly distorted by its IPO euphoria as a result of its high over-subscription rate of over 6,000 times in the public offer. Consequently, we have performed an adjusted PB Ratio analysis without Herbs Generation:

<b>Company Name</b>	<b>PB Ratio</b>
Purapharm Corporation Limited	1.67
Hin Sang Group (International) Holding Company Limited	1.43
Besunyen Holdings Company Limited	0.47
Zhongzheng International Company Limited	0.44
AUSupreme International Holdings Limited	0.92
Kunming Longjin Pharmaceutical Co., Ltd.	1.75
Dali Pharmaceutical Co., Ltd.	1.47
<b>Adjusted Median</b>	<b>1.43</b>
<b>Adjusted Average</b>	<b>1.16</b>

### **Equity Value of the Company**

The calculation of equity value of the Company as of the Valuation Date based on the Management Accounts as of the Valuation Date is illustrated as follows:

	<i>HK\$'000</i>
Net assets attributable to equity holders of the Company as of the Valuation Date	244,507
Net cash position	205,171
Net assets of the Healthcare Business	39,336
Adopted PB Ratio for the Healthcare Business	1.16
Valuation of the Healthcare Business	45,630
Sum-of-the-parts valuation for 100% equity value of the Company	<b>250,801</b>

### **Limiting Conditions**

- The conclusion of value arrived at herein is valid only for the stated purpose as of the date of the valuation.
- As part of our analysis, we have reviewed financial and business information from public sources together with such financial information, the Company's representation, project documentation and other pertinent data concerning the project made available to us during the course of our valuation. We have assumed the accuracy of and have relied on the information and the Company's representations provided in arriving at our opinion of value.
- We have explained as part of our service engagement procedure that it is the director's responsibility to ensure proper books of accounts are maintained, and the financial statements give a true and fair view and have been prepared in accordance with the relevant Companies' Ordinance.
- Odysseus Capital Asia Limited shall not be required to give testimony or attendance in court or to any government agency by reason of this valuation and with reference to the transaction described herein unless prior arrangements have been made.
- No opinion is intended to be expressed for matters which require legal or other specialized expertise or knowledge beyond what is customarily employed by financial advisers.
- Our conclusions assume continuation of prudent Company policies over whatever period of time that is considered to be necessary in order to maintain the character and integrity of the assets valued.
- We assume that there are no hidden or unexpected conditions associated with the assets valued that might adversely affect the reported value. Further, we assume no responsibility for changes in market conditions after the date of this report.

- This valuation report has been prepared solely as reference to the Announcement only.
- This report is confidential to the Company for the specific purpose to which it refers. In accordance with our standard practice, we must state that this valuation report is only for the purpose of the party to whom it is addressed and no responsibility is accepted with respect to any third party for the whole or any part of its contents.

### **Opinion of Value**

Based on our analysis, it is our opinion that as of the Valuation Date, we are of the opinion that the fair value of 100% equity interest of the Company is reasonably represented in the amount of **HONG KONG DOLLAR TWO HUNDRED FIFTY MILLION EIGHT HUNDRED AND ONE THOUSAND ONLY (HK\$250,801,000)**.

Yours truly  
 For and on behalf of  
**Odysseus Capital Asia Limited**  
**Joseph Chu FCPA (Aust) MBA**  
*Chief Executive Officer*

*Note: Mr. Joseph Chu has been a Responsible Officer of Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance since 2003. He has over 30 years of experience in various advisory and valuation transactions for listed companies in Hong Kong. Mr. Joseph Chu is also a Responsible Officer of Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance.*